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Return of Private Foundation
or Section 4947(a)(1) Trust Treated as Private Foundation

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▶ Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

2013

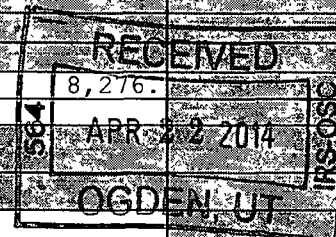
For calendar year 2013, or tax year beginning , 2013, and ending

Name of foundation Betty & James K. Stone Foundation		A Employer identification number 57-0958629
Number and street (or P.O. box number if mail is not delivered to street address) P.O. Box 219	Room/suite	B Telephone number (see the instructions) (864) 439-9788
City or town, state or province, country, and ZIP or foreign postal code Wellford SC 29385		C If exemption application is pending, check here. ▶ <input type="checkbox"/>
G Check all that apply. <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change <input type="checkbox"/> Initial Return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change		D 1 Foreign organizations, check here ▶ <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation ▶ <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ 2,748,365.	J Accounting method. <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ <input type="checkbox"/>

Part I Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE				
1 Contributions, gifts, grants, etc., received (att sch)				
2 Check <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
3 Interest on savings and temporary cash investments.	10.			
4 Dividends and interest from securities	56,958.	56,958.		
5a Gross rents				
b Net rental income or (loss)				
6a Net gain/(loss) from sale of assets not on line 10	8,276.	8,276.		
b Gross sales price for all assets on line 6a	122,435.			
7 Capital gain net income (from Part IV, line 2)		8,276.		
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit/(loss) (att sch)				
11 Other income (attach schedule)				
See Line 11 Stmt	14,615.	14,615.		
12 Total. Add lines 1 through 11.	79,859.	79,849.	8,276.	
ADMINISTRATIVE AND OPERATING EXPENSES				
13 Compensation of officers, directors, trustees, etc				
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule).				
b Accounting fees (attach sch). L-16b Stmt.	4,092.	2,046.		2,046.
c Other prof fees (attach sch). L-16c Stmt.	14,000.	7,000.		7,000.
17 Interest.				
18 Taxes (attach schedule)(see Instrs) See Line 18 Stmt	2,167.	2,167.		
19 Depreciation (attach sch) and depletion				
20 Occupancy.				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) Office Supplies	177.	89.		88.
24 Total operating and administrative expenses. Add lines 13 through 23	20,436.	11,302.		9,134.
25 Contributions, gifts, grants paid	111,825.			111,825.
26 Total expenses and disbursements. Add lines 24 and 25	132,261.	11,302.		120,959.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	-52,402.			
b Net investment income (if negative, enter -0-)		68,547.		
c Adjusted net income (if negative, enter -0-)			8,276.	



Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions.)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash — non-interest-bearing			
	2 Savings and temporary cash investments	374,300.	171,396.	171,396.
	3 Accounts receivable			
	Less: allowance for doubtful accounts			
	4 Pledges receivable			
	Less: allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach sch)			
	Less: allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments — U.S. and state government obligations (attach schedule)			
	b Investments — corporate stock (attach schedule). L-10b. Stmt	998,706.	1,149,208.	2,576,969.
	c Investments — corporate bonds (attach schedule)			
	11 Investments — land, buildings, and equipment: basis			
Less: accumulated depreciation (attach schedule)				
12 Investments — mortgage loans				
13 Investments — other (attach schedule)				
14 Land, buildings, and equipment basis				
Less: accumulated depreciation (attach schedule)				
15 Other assets (describe)				
16 Total assets (to be completed by all filers — see the instructions. Also, see page 1, item I).	1,373,006.	1,320,604.	2,748,365.	
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe)			
	23 Total liabilities (add lines 17 through 22)			
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds	707,476.	707,476.	
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	665,530.	613,128.	
	30 Total net assets or fund balances (see instructions)	1,373,006.	1,320,604.	
	31 Total liabilities and net assets/fund balances (see instructions)	1,373,006.	1,320,604.	

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year — Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	1,373,006.
2 Enter amount from Part I, line 27a	2	-52,402.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	1,320,604.
5 Decreases not included in line 2 (itemize)	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	1,320,604.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a See Attached Statement for Detail		P	various	various
b				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 122,435.	0.	114,159.	8,276.
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(n) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a 0.	0.	0.	8,276.
b			
c			
d			
e			

2 Capital gain net income or (net capital loss)	[If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7]		2	8,276.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):	[If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8]		3	8,276.

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If 'Yes,' the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.			
(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2012	102,441.	2,343,530.	0.043712
2011	53,239.	1,814,349.	0.029343
2010	53,548.	1,583,066.	0.033826
2009	11,795.	1,271,500.	0.009276
2008	6,955.	1,402,701.	0.004958
2 Total of line 1, column (d)			2 0.121115
3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3 0.024223
4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5.			4 2,547,508.
5 Multiply line 4 by line 3			5 61,708.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 685.
7 Add lines 5 and 6.			7 62,393.
8 Enter qualifying distributions from Part XII, line 4			8 120,959.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 — see instructions)

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary — see instrs)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	685.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	685.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	685.
6 Credits/Payments:			
a 2013 estimated tax pmts and 2012 overpayment credited to 2013	6 a		
b Exempt foreign organizations — tax withheld at source	6 b		
c Tax paid with application for extension of time to file (Form 8868)	6 c		
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments. Add lines 6a through 6d	7		
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		685.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		0.
11 Enter the amount of line 10 to be Credited to 2014 estimated tax	11		
	Refunded		

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?		X
If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year. (1) On the foundation (2) On foundation managers		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If 'Yes,' attach a detailed description of the activities.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If 'Yes,' attach a conformed copy of the changes		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		X
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If 'Yes,' attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XV	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions)		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If 'No,' attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2013 or the taxable year beginning in 2013 (see instructions for Part XIV)? If 'Yes,' complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses	X	

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes', attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	
Website address ▶ N/A				
14	The books are in care of ▶ Eliot Stone Telephone no. ▶ (864) 439-9788			
Located at ▶ 125 Office Street Wellford SC ZIP + 4 ▶ 29385				
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 — Check here	<input type="checkbox"/>		
and enter the amount of tax-exempt interest received or accrued during the year ▶ 15				
16	At any time during calendar year 2013, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country ▶				

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the 'Yes' column, unless an exception applies.

	Yes	No
1 a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(6) Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1 b	X
Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>		
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2013?	1 c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If 'Yes,' list the years ▶ 20 __ , 20 __ , 20 __ , 20 __ .		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement — see instructions)	2 b	X
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20 __ , 20 __ , 20 __ , 20 __ .		
3 a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If 'Yes,' did it have excess business holdings in 2013 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2013.)	3 b	X
4 a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2013?	4 b	X

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5 a** During the year did the foundation pay or incur any amount to:

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is 'Yes' to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?Organizations relying on a current notice regarding disaster assistance check here ☐**5 b**

X

c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?☐ Yes ☐ No

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d)

6 a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?☐ Yes ☒ No**6 b**

X

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

If 'Yes' to 6b, file Form 8870.

7 a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No**7 b****b** If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction?**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
George E. Stone P.O. Box 219 Wellford SC 29385	Trustee 8.00	0.	0.	0.
Eliot Stone P.O. Box 219 Wellford SC 29385	Trustee 4.00	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1 — see instructions). If none, enter 'NONE.'

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000

None

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter 'NONE.'

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE ----- ----- -----		
----- ----- -----		
----- ----- -----		
----- ----- -----		
----- ----- -----		
----- ----- -----		
----- ----- -----		
----- ----- -----		
----- ----- -----		
Total number of others receiving over \$50,000 for professional services ▶		None

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

1	NOT APPLICABLE	
2		0.
3		
4		

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

1	NOT APPLICABLE	
2		0.
All other program-related investments See instructions.		
3		
Total. Add lines 1 through 3		None

Total. Add lines 1 through 3

None

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1 a	2,261,018.
b	Average of monthly cash balances	1 b	325,285.
c	Fair market value of all other assets (see instructions)	1 c	0.
d	Total (add lines 1a, b, and c)	1 d	2,586,303.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	2,586,303.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	38,795.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,547,508.
6	Minimum investment return. Enter 5% of line 5	6	127,375.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	127,375.
2 a	Tax on investment income for 2013 from Part VI, line 5	2 a	685.
b	Income tax for 2013. (This does not include the tax from Part VI)	2 b	
c	Add lines 2a and 2b	2 c	685.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	126,690.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	126,690.
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	126,690.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. — total from Part I, column (d), line 26	1 a	120,959.
b	Program-related investments — total from Part IX-B.	1 b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3 a	
b	Cash distribution test (attach the required schedule)	3 b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	120,959.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	685.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	120,274.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7				126,690.
2 Undistributed income, if any, as of the end of 2013				
a Enter amount for 2012 only			14,064.	
b Total for prior years 20 __, 20 __, 20 __				
3 Excess distributions carryover, if any, to 2013				
a From 2008 0.				
b From 2009 0.				
c From 2010 0.				
d From 2011 0.				
e From 2012 0.				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2013 from Part XII, line 4. ▶ \$ 120,959.				
a Applied to 2012, but not more than line 2a				
b Applied to undistributed income of prior years (Election required — see instructions)				
c Treated as distributions out of corpus (Election required — see instructions)				
d Applied to 2013 distributable amount				109,959.
e Remaining amount distributed out of corpus	11,000.			
5 Excess distributions carryover applied to 2013 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5.	11,000.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount — see instructions		0.		
e Undistributed income for 2012 Subtract line 4a from line 2a Taxable amount — see instructions.			14,064.	
f Undistributed income for 2013. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2014				16,731.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2008 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a	11,000.			
10 Analysis of line 9				
a Excess from 2009 0.				
b Excess from 2010 0.				
c Excess from 2011 0.				
d Excess from 2012 0.				
e Excess from 2013 11,000.				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2013, enter the date of the ruling

b Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5) ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2013	(b) 2012	(c) 2011	(d) 2010	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a 'Assets' alternative test — enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b 'Endowment' alternative test — enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c 'Support' alternative test — enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year — see instructions.)**1 Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

NOT APPLICABLE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NOT APPLICABLE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc. Programs:

Check here ☒ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed:

NOT APPLICABLE

b The form in which applications should be submitted and information and materials they should include:

NOT APPLICABLE

c Any submission deadlines:

NOT APPLICABLE

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

NOT APPLICABLE

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
Spartanburg Day School 1701 Skylyn Drive Spartanburg SC 29307		501 (C) 3	Education	43,600.
Spartanburg Methodist College 1000 Powell Mill Road Spartanburg SC 29301		501 (C) 3	Education	0.
Church of the Advent 141 Advent Street Spartanburg SC 29302		501 (C) 3	General Support	7,500.
Spartanburg County Foundation 424 East Kennedy Street Spartanburg SC 29302		501 (C) 3	General Support	500.
Miracle Hills Ministries P.O. Box 2546 Greenville SC 29602		501 (C) 3	General Support	250.
Converse Heights Neighborhood Assn P.O. Box 187 Spartanburg SC 29304		501 (C) 3	General Support	100.
Spartanburg Regional Foundation 101 East Wood Street Spartanburg SC 29303		501 (C) 3	General Support	1,655.
Spartanburg Art Museum 200 East St. John Street Spartanburg SC 29306		501 (C) 3	General Support	0.
Converse College 580 East Main Street Spartanburg SC 29302		501 (C) 3	Education	15,000.
See Line 3a statement				43,220.
Total			3 a	111,825.
b Approved for future payment				
Total			3 b	

Form 990-PF
Part I, Line 6a

Net Gain or Loss From Sale of Assets

2013

Name <u>Betty & James K. Stone Foundation</u>	Employer Identification Number <u>57-0958629</u>
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Asset Information:

Description of Property: <u>3,000 Shares of Kosmos Energy LTD</u>	
Date Acquired: . . <u>08/30/12</u>	How Acquired: . . . <u>Purchased</u>
Date Sold: . . . <u>05/16/13</u>	Name of Buyer: . . . _____
Sales Price: . . . <u>31,764.</u>	Cost or other basis (do not reduce by depreciation) . . . <u>28,773.</u>
Sales Expense: . . . <u>0.</u>	Valuation Method: . . . _____
Total Gain (Loss): . . <u>2,991.</u>	Accumulation Depreciation: . . . <u>0.</u>
Description of Property: <u>1500 Shares of Seadrill Limited</u>	
Date Acquired: . . <u>11/19/12</u>	How Acquired: . . . <u>Purchased</u>
Date Sold: . . . <u>04/29/13</u>	Name of Buyer: . . . _____
Sales Price: . . . <u>56,993.</u>	Cost or other basis (do not reduce by depreciation) . . . <u>58,371.</u>
Sales Expense: . . . _____	Valuation Method: . . . _____
Total Gain (Loss): . . <u>-1,378.</u>	Accumulation Depreciation: . . . <u>0.</u>
Description of Property: <u>500 Shares of Northrop Grumman Corp</u>	
Date Acquired: . . <u>11/08/04</u>	How Acquired: . . . <u>Purchased</u>
Date Sold: . . . <u>01/30/13</u>	Name of Buyer: . . . _____
Sales Price: . . . <u>33,482.</u>	Cost or other basis (do not reduce by depreciation) . . . <u>27,015.</u>
Sales Expense: . . . _____	Valuation Method: . . . _____
Total Gain (Loss): . . <u>6,467.</u>	Accumulation Depreciation: . . . _____
Description of Property: <u>Unrecap Sec. 1250 Gain</u>	
Date Acquired: . . <u>various</u>	How Acquired: . . . <u>Purchased</u>
Date Sold: . . . <u>various</u>	Name of Buyer: . . . _____
Sales Price: . . . <u>21.</u>	Cost or other basis (do not reduce by depreciation) . . . <u>0.</u>
Sales Expense: . . . _____	Valuation Method: . . . _____
Total Gain (Loss): . . <u>21.</u>	Accumulation Depreciation: . . . _____
Description of Property: <u>Capital Gains Distributions</u>	
Date Acquired: . . <u>various</u>	How Acquired: . . . <u>Purchased</u>
Date Sold: . . . <u>various</u>	Name of Buyer: . . . _____
Sales Price: . . . <u>175.</u>	Cost or other basis (do not reduce by depreciation) . . . <u>0.</u>
Sales Expense: . . . _____	Valuation Method: . . . _____
Total Gain (Loss): . . <u>175.</u>	Accumulation Depreciation: . . . _____
Description of Property: _____	
Date Acquired: . . _____	How Acquired: . . . _____
Date Sold: . . . _____	Name of Buyer: . . . _____
Sales Price: . . . _____	Cost or other basis (do not reduce by depreciation) . . . _____
Sales Expense: . . . _____	Valuation Method: . . . _____
Total Gain (Loss): . . _____	Accumulation Depreciation: . . . _____
Description of Property: _____	
Date Acquired: . . _____	How Acquired: . . . _____
Date Sold: . . . _____	Name of Buyer: . . . _____
Sales Price: . . . _____	Cost or other basis (do not reduce by depreciation) . . . _____
Sales Expense: . . . _____	Valuation Method: . . . _____
Total Gain (Loss): . . _____	Accumulation Depreciation: . . . _____
Description of Property: _____	
Date Acquired: . . _____	How Acquired: . . . _____
Date Sold: . . . _____	Name of Buyer: . . . _____
Sales Price: . . . _____	Cost or other basis (do not reduce by depreciation) . . . _____
Sales Expense: . . . _____	Valuation Method: . . . _____
Total Gain (Loss): . . _____	Accumulation Depreciation: . . . _____

Form 990-PF, Page 1, Part I, Line 11

Line 11 Stmt

Other income	Rev/Exp Book	Net Inv Inc	Adj Net Inc
Linn Energy	7,249.	7,249.	
Sandridge Mississippian	7,366.	7,366.	
Total	14,615.	14,615.	

Form 990-PF, Page 1, Part I, Line 18

Line 18 Stmt

Taxes	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
Federal Taxes	336.	336.		
Foreign Taxes	1,831.	1,831.		
Total	2,167.	2,167.		

Form 990-PF, Page 11, Part XV, line 3a

Line 3a statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Founda- tion status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox Amount
a Paid during the year				
Hub City Writers 186 West Main Street Spartanburg SC 29306		501(C)3	General Support	Person or Business <input checked="" type="checkbox"/> 10,000.
Campus Crusade For Christ 100 Lake Hart Drive #3600 Orlando FL 32832		501(C)3	General Support	Person or Business <input checked="" type="checkbox"/> 1,200.
Hillbrook Little League 9039 Fairforest Road Spartanburg SC 29301		501(C)3	General Support	Person or Business <input checked="" type="checkbox"/> 300.
SPACE 154 Magnolia Street Spartanburg SC 29306		501(C)3	General Support	Person or Business <input checked="" type="checkbox"/> 300.
Shriners Circus P.O. Box 2663 Easley SC 29641		501(C)3	General Support	Person or Business <input checked="" type="checkbox"/> 0.
Low Country Conservation 40 Mobley Oaks Lane Okatie SC 29909		501(C)3	General Support	Person or Business <input checked="" type="checkbox"/> 0.
LaAnna United Methodist Church P.O. Box 142 Newfoundland PA 18445		501(C)3	General Support	Person or Business <input checked="" type="checkbox"/> 20,000.
Shriners' Hospital 950 West Faris Road Greenville SC 29605		501(C)3	General Support	Person or Business <input checked="" type="checkbox"/> 70.

Form 990-PF, Page 11, Part XV, line 3a

Continued

Line 3a statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Founda- tion status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox Amount
a Paid during the year				
Boy Scouts of America 420 South Church Street Spartanburg SC 29306		501(c)3	General Support	Person or Business <input checked="" type="checkbox"/> 300.
Alzheimers Association 225 N. Michigan Ave. Chicago IL 60601		501(C)3	General Support	Person or Business <input checked="" type="checkbox"/> 100.
Partners For Active Living 226 South Spring Street Spartanburg SC 29306		501(c)3	General Support	Person or Business <input checked="" type="checkbox"/> 100.
Spartanburg Community College 107 Community College Drive Spartanburg SC 29303		501(c)3	Education	Person or Business <input checked="" type="checkbox"/> 6,150.
United Arts 200 St. John Street Spartanburg SC 29306		501(c)3	General Support	Person or Business <input checked="" type="checkbox"/> 250.
Clemson University Foundation 155 Old Greenville Hwy Clemson SC 29631		501(c)3	Education	Person or Business <input checked="" type="checkbox"/> 1,000.
Millsaps Athletics 1701 North State Street Jackson MS 39210		501(c)3	General Support	Person or Business <input checked="" type="checkbox"/> 200.
Glendale Outdoor Leadership School 270 Wheeling Circle Glendale SC 29346		501(c)3	General Support	Person or Business <input checked="" type="checkbox"/> 250.
IROC 186 West Main Street Spartanburg SC 29306		501 (c)3	General Support	Person or Business <input checked="" type="checkbox"/> 1,000.
River Hills Baptist Church 5762 Reidville Road Moore SC 29369		501(c)3	General Support	Person or Business <input checked="" type="checkbox"/> 1,000.
Mobile Meals P.O. Box 461 Spartanburg SC 29304		501(c)3	General Support	Person or Business <input checked="" type="checkbox"/> 1,000.

Total

43,220.

Form 990-PF, Page 1, Part I

Line 16b - Accounting Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Bobby J. Willis	Accounting/Tax Preparation	4,092.	2,046.		
Total		<u>4,092.</u>	<u>2,046.</u>		

Form 990-PF, Page 1, Part I

Line 16c - Other Professional Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Jackson Management, Inc.	Management Fee	14,000.	7,000.		
Total		<u>14,000.</u>	<u>7,000.</u>		

Form 990-PF, Page 2, Part II, Line 10b

L-10b Stmt

Line 10b - Investments - Corporate Stock:	End of Year	
	Book Value	Fair Market Value
See Attached Statement for Detail	1,149,208.	2,576,969.
Total	<u>1,149,208.</u>	<u>2,576,969.</u>

Supporting Statement of:

Form 990-PF, p8/Part X, Line 1a

Description	Amount
See attached Statement 1 for Detail	2,261,018.
Total	<u>2,261,018.</u>

BETTY & JAMES K. STONE FOUNDATION

EIN: 57-0958629

FORM 990PF, PART I - LINE 4 - DIVIDENDS & INTEREST

2013

DESCRIPTION	DIVIDENDS
1. 3M COMPANY -	2,540
2. ALTRIA GROUP INC. -	1,800
3. APPLE INC. -	17,700
4. AT&T INC. -	3,600
5. C. R. BARD INC. -	820
6. DIGITAL REALTY TRUST INC -	525
7. DUKE ENERGY -	3,090
8. EXXON MOBILE CORP -	2,460
9. FORD MOTOR -	800
10. GENERAL ELECTRIC	760
11. GOLDCORP INC -	600
13. HALLIBURTON -	525
14. INTEL CORP -	900
15. KRAFT FOODS -	466
16. MONDELEZ INTERNATIONAL INC. -	367
17. MONSANTO CO -	778
18. NORTHROP GRUMMAN CORP -	1,190
19. OCCIDENTAL PETROLEUM -	3,840
20. PEPSICO INC -	2,210
21. PFIZER -	1,432
22. PHILLIP MORRIS -	3,490
23. POTASH CORP OF SASKATCHEWAN -	1,190
24. SANOFI AVENTIS -	1,793
25. SPDR INDEX SHS FDS SPDR S&P EMERGN -	1,150
26. TOYOTA MOTOR CORP -	634
27. WELLS FARGO & CO -	2,300
TOTAL ORDINARY DIVIDENDS -	56,958
TOTAL QUALIFIED DIVIDENDS -	56,029

FORM 990PF, PART II - LINE 10b - CORPORATE STOCKS

2013

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
1. 3M COMPANY	37,932	37,932	140,250
2. ALTRIA GROUP INC.	23,937	23,937	38,390
3. APPLE COMPUTER INC -	53,872	53,872	841,530
4. AT&T -	60,591	60,591	70,320
5. C. R. BARD INC.	69,084	69,084	133,940
6. DIGITAL REALTY TRUST, INC. -	0	67,070	73,680
7. DUKE ENERGY -	64,093	64,093	69,010
8. EXXON MOBILE -	38,059	38,059	101,200
9. FORD MOTOR -	22,648	22,648	30,860
10. GENERAL ELECTRIC -	28,598	28,598	28,030
11. GOLDCORP -	40,606	40,606	21670
12. HALLIBURTON -	28,308	28,308	50,750
13. INTEL CORP -	0	47,951	51,910
14. KOSMOS ENERGY LTD -	28,773	0	0
15. KRAFT FOODS -	0	0	12,402
16. LINN ENERGY INC -	58,444	111,229	92,370
17. MONDELEZ INTERNATIONAL -	0	0	24,428
18. MONSANTO CO. -	35,167	35,167	58,275
19. NORTHROP GRUMMAN CORP -	54,030	27,015	57,305
20. NYSE EURONEXT -	0	0	0
21. OCCIDENTAL PETROLEUM -	48,365	48,365	190,200
22. PEPSICO -	53,915	53,915	82,940
23. POTASH CORP OF SASKATCHEWAN -	37,866	37,866	32960
24. PFIZER -	24,110	24,110	45,700
25. PHILIP MORRIS -	0	0	87,130
26. SANDRIDGE MISSISSIPPIAN TRT -	0	57,140	27,750
27. SANOFI AVENTIS	43,803	43,803	53,630
28. SEADRILL LIMITED -	58,371	0	0
29. SPDR INDEX SHS FDS -	0	39,715	39060
30. TOYOTA MOTOR CORP -	29,930	29,930	30,480
31. WELLS FARGO & CO -	58,204	58,204	90,800
32. TOTALS -	998,706	1,149,208	2,576,969

STATEMENT 1:

BETTY & JAMES K. STONE FOUNDATION

EID: 57-0958629
YEAR 2013

FORM 990 PF: PART X: MINIMUM INVESTMENT RETURN:

MONTH -----	SECURITIES -----	CASH -----	OTHER -----	TOTAL -----
JAN., 2013	2,154,926	356,683	0	2,511,609
FEB., 2013	2,130,598	339,746	0	2,470,344
MAR., 2013	2,153,382	344,699	0	2,498,081
APR., 2013	2,167,569	374,877	0	2,542,446
MAY, 2013	2,191,839	357,328	0	2,549,167
JUNE, 2013	2,101,234	358,685	0	2,459,919
JULY, 2013	2,245,253	312,906	0	2,558,159
AUG., 2013	2,238,302	321,491	0	2,559,793
SEPT., 2013	2,266,131	311,478	0	2,577,609
OCT., 2013	2,422,271	316,068	0	2,738,339
NOV., 2013	2,483,744	313,865	0	2,797,609
DEC., 2013	2,576,969	195,596	0	2,772,565
AVERAGE -	----- 2,261,018	----- 325,285	----- 0	----- 2,586,303