



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Form **990-PF**Department of the Treasury
Internal Revenue Service**Return of Private Foundation**

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

▶ Do not enter social security numbers on this form as it may be made public.

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

OMB No. 1545-0052

2016

Open to Public Inspection

For calendar year 2016 or tax year beginning

, 2016, and ending

, 20

Name of foundation

UNDERDOWN FAMILY FOUNDATION INC.

Number and street (or P.O. box number if mail is not delivered to street address)

1525 W W.T. HARRIS BLVD. D1114-044

City or town, state or province, country, and ZIP or foreign postal code

CHARLOTTE, NC 28262

G Check all that apply:

☐ Initial return☐ Final return☐ Address change☐ Initial return of a former public charity☐ Amended return☐ Name change

H Check type of organization:

☒ Section 501(c)(3) exempt private foundation☐ Section 4947(a)(1) nonexempt charitable trust☐ Other taxable private foundation

I Fair market value of all assets at

end of year (from Part II, col. (c), line

16) ▶ \$ **905,710.**J Accounting method: ☒ Cash ☐ Accrual☐ Other (specify)

(Part I, column (d) must be on cash basis.)

A Employer identification number

56-1827986

B Telephone number (see instructions)

800-352-3705C If exemption application is
pending, check here.

D 1. Foreign organizations, check here.

2. Foreign organizations meeting the
85% test, check here and attach
computationE If private foundation status was terminated
under section 507(b)(1)(A), check here.F If the foundation is in a 60-month termination
under section 507(b)(1)(B), check here.**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 (attach schedule)				
2 Check ☒ if the foundation is not required to attach Sch. B.				
3 Interest on savings and temporary cash investments.				
4 Dividends and interest from securities	18,873.	18,269.		STMT 1
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	8,425.			
b Gross sales price for all assets on line 6a 94,176				
7 Capital gain net income (from Part IV, line 2) .		8,425.		
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 or (loss) (attach schedule)				
11 Other income (attach schedule)	237.			STMT 2
12 Total. Add lines 1 through 11	27,535.	26,694.		
Operating and Administrative Expenses				
13 Compensation of officers, directors, trustees, etc.				
14 Other employee salaries and wages		NONE	NONE	
15 Pension plans, employee benefits		NONE	NONE	
16a Legal fees (attach schedule)				
b Accounting fees (attach schedule) STMT 3	1,000.	NONE	NONE	1,000.
c Other professional fees (attach schedule) STMT 4	6,815.	6,815.		
17 Interest				
18 Taxes (attach schedule) (see instructions) STMT 5	356.	356.		
19 Depreciation (attach schedule) and depletion .				
20 Occupancy				
21 Travel, conferences, and meetings		NONE	NONE	
22 Printing and publications		NONE	NONE	
23 Other expenses (attach schedule) STMT 6	891.			891.
24 Total operating and administrative expenses. Add lines 13 through 23.	9,062.	7,171.	NONE	1,891.
25 Contributions, gifts, grants paid	48,000.			48,000.
26 Total expenses and disbursements. Add lines 24 and 25	57,062.	7,171.	NONE	49,891.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements . .	-29,527.			
b Net investment income (if negative, enter -0-)		19,523.		
c Adjusted net income (if negative, enter -0-)				

JSA For Paperwork Reduction Act Notice, see instructions.

6E1410 1 000

DMI932 5892 04/07/2017 16:39:33

Form **990-PF** (2016)

17

P 8NE

-

RECEIVED
POSTMARK DATE MAY 9 2017

SCANNED MAY 8 1 MAY 2017

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	962.	229.	229.
	2	Savings and temporary cash investments	39,808.	19,763.	19,763.
	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 schedule) ▶			
		Less: allowance for doubtful accounts ▶ NONE			
	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) . STMT 7	611,244.	605,446.	697,401.
	c	Investments - corporate bonds (attach schedule) . STMT 8	194,837.	191,416.	188,317.
	Liabilities	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)	846,851.	816,854.	905,710.
17		Accounts payable and accrued expenses			
18		Grants payable			
Net Assets or Fund Balances	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)			
	23	Total liabilities (add lines 17 through 22)		NONE	
		Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ ☒ X			
27	Capital stock, trust principal, or current funds	846,851.	816,854.		
28	Paid-in or capital surplus, or land, bldg., and equipment fund				
29	Retained earnings, accumulated income, endowment, or other funds				
30	Total net assets or fund balances (see instructions)	846,851.	816,854.		
31	Total liabilities and net assets/fund balances (see instructions)	846,851.	816,854.		

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	846,851.
2	Enter amount from Part I, line 27a	2	-29,527.
3	Other increases not included in line 2 (itemize) ▶ <u>MUTUAL FUND TAX EFFECTIVE DATE BEFORE TYE</u>	3	362.
4	Add lines 1, 2, and 3	4	817,686.
5	Decreases not included in line 2 (itemize) ▶ <u>SEE STATEMENT 9</u>	5	832.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	816,854.

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 shs. MLC Co.)(b) How
acquired
P - Purchase
D - Donation(c) Date acquired
(mo., day, yr.)(d) Date sold
(mo., day, yr.)**1 a PUBLICLY TRADED SECURITIES**

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 94,176.		85,751.	8,425.
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			8,425.
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	8,425.
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	

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 (col. (b) divided by col. (c))
2015	44,175.	955,283.	0.046243
2014	42,908.	986,950.	0.043475
2013	47,470.	957,718.	0.049566
2012	42,105.	907,049.	0.046420
2011	50,271.	902,356.	0.055711

2 Total of line 1, column (d)	2	0.241415
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	0.048283
4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	876,995.
5 Multiply line 4 by line 3.	5	42,344.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	195.
7 Add lines 5 and 6.	7	42,539.
8 Enter qualifying distributions from Part XII, line 4. 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.	8	49,891.

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

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1.			
Date of ruling or determination letter: _____ (attach copy of letter if necessary - see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b.		1	195.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	
3 Add lines 1 and 2.		3	195.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	NONE
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	195.
6 Credits/Payments:			
a 2016 estimated tax payments and 2015 overpayment credited to 2016.	6a	292.	
b Exempt foreign organizations - tax withheld at source.	6b	NONE	
c Tax paid with application for extension of time to file (Form 8868).	6c	NONE	
d Backup withholding erroneously withheld.	6d		
7 Total credits and payments. Add lines 6a through 6d.	7	292.	
8 Enter any penalty for underpayment of estimated tax. Check here ☐ 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		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid.	10	97.	
11 Enter the amount of line 10 to be: Credited to 2017 estimated tax ☒ 97. Refunded ☐	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a 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 Instructions for the definition)? 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.		X
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
4a 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?		
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, col. (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ☒ NC		
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 2016 or the taxable year beginning in 2016 (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

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** 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 4945(d)(4)(A)? (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 ☐**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).**6a** Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No
If "Yes" to 6b, file Form 8870.**7a** At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No**b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No**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
PARKS UNDERDOWN III PO Box 279, HICKORY, NC 28603	PRESIDENT 1	-0-	-0-	-0-
SUSAN U GECK PO Box 279, HICKORY, NC 28603	SECRETARY 1	-0-	-0-	-0-
DAVID UNDERDOWN PO Box 279, HICKORY, NC 28603	VICE PRESIDENT 1	-0-	-0-	-0-
STEVE UNDERDOWN PO Box 279, HICKORY, NC 28603	TREASURER 1	-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		NONE	NONE	NONE

Total number of other employees paid over \$50,000 ☐ NONE

Form 990-PF (2016)

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

Part IX-A Summary of Direct Charitable Activities

Expenses

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

Amount

Total. Add lines 1 through 3

23

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	1a	871,979.
b	Average of monthly cash balances	1b	18,371.
c	Fair market value of all other assets (see instructions).	1c	NONE
d	Total (add lines 1a, b, and c)	1d	890,350.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	NONE
3	Subtract line 2 from line 1d	3	890,350.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	13,355.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	876,995.
6	Minimum investment return. Enter 5% of line 5	6	43,850.

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	43,850.
2a	Tax on investment income for 2016 from Part VI, line 5	2a	195.
b	Income tax for 2016. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	195.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	43,655.
4	Recoveries of amounts treated as qualifying distributions	4	NONE
5	Add lines 3 and 4	5	43,655.
6	Deduction from distributable amount (see instructions).	6	NONE
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1.	7	43,655.

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	1a	49,891.
b	Program-related investments - total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	NONE
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	49,891.
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	195.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	49,696.

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 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				43,655.
2 Undistributed income, if any, as of the end of 2016:				
a Enter amount for 2015 only.			47,390.	
b Total for prior years: 20 <u>14</u> , 20 <u> </u> , 20 <u> </u>		NONE		
3 Excess distributions carryover, if any, to 2016:				
a From 2011	NONE			
b From 2012	NONE			
c From 2013	NONE			
d From 2014	NONE			
e From 2015	NONE			
f Total of lines 3a through e	NONE			
4 Qualifying distributions for 2016 from Part XII, line 4: ► \$ <u>49,891.</u>				
a Applied to 2015, but not more than line 2a			47,390.	
b Applied to undistributed income of prior years (Election required - see instructions)		NONE		
c Treated as distributions out of corpus (Election required - see instructions)	NONE			
d Applied to 2016 distributable amount				2,501.
e Remaining amount distributed out of corpus	NONE			
5 Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a).)	NONE			NONE
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	NONE			
b Prior years' undistributed income. Subtract line 4b from line 2b.		NONE		
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		NONE		
d Subtract line 6c from line 6b. Taxable amount - see instructions		NONE		
e Undistributed income for 2015. Subtract line 4a from line 2a. Taxable amount - see instructions				
f Undistributed income for 2016. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2017.				41,154.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	NONE			
8 Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions)	NONE			
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a	NONE			
10 Analysis of line 9:				
a Excess from 2012	NONE			
b Excess from 2013	NONE			
c Excess from 2014	NONE			
d Excess from 2015	NONE			
e Excess from 2016	NONE			

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)**NOT APPLICABLE****1a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2016, 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)

2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

Tax year

Prior 3 years

(e) Total

(a) 2016

(b) 2015

(c) 2014

(d) 2013

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).)

N/A

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.

N/A

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 address of the person to whom applications should be addressed:

SEE STATEMENT 11

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

SEE ATTACHED STATEMENT FOR LINE 2

c Any submission deadlines:

SEE ATTACHED STATEMENT FOR LINE 2

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

SEE ATTACHED STATEMENT FOR LINE 2

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

Recipient	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
Name and address (home or business)				
a Paid during the year SEE STATEMENT 16				48,000.
Total			▶ 3a	48,000.
b Approved for future payment				
Total			▶ 3b	

Enter gross amounts unless otherwise indicated.

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). (See instructions.)

28

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations? a Transfers from the reporting foundation to a noncharitable exempt organization of: (1) Cash (2) Other assets b Other transactions: (1) Sales of assets to a noncharitable exempt organization (2) Purchases of assets from a noncharitable exempt organization (3) Rental of facilities, equipment, or other assets (4) Reimbursement arrangements (5) Loans or loan guarantees (6) Performance of services or membership or fundraising solicitations c Sharing of facilities, equipment, mailing lists, other assets, or paid employees d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.		Yes	No
1a(1)			X
1a(2)			X
1b(1)			X
1b(2)			X
1b(3)			X
1b(4)			X
1b(5)			X
1b(6)			X
1c			X

[illegible]

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

**Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer or trustee

04/07/2017
Date

▶ Trustee
Title

May the IRS discuss this return with the preparer shown below (see instructions)? ☒ Yes ☐ No

**Paid
Preparer
Use Only**

Print/Type preparer's name

DAVID APPLE, AVP

Preparer's signature _____

Date

04/07/2017

Check ☐ if self-employed

PTIN	
------	--

P00555848

Firm's name ► WELLS FARGO BANK, N.A.

Firm's address ► 1525 W W.T. HARRIS BLVD. D1114-044
CHARLOTTE, NC 28262

Firm's EIN ▶ 94-3080771

Phone no. 800-691-8916

Form **990-PF** (2016)

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----
AQR MANAGED FUTURES STR-I #15213	2.	2.
ABERDEEN EMERG MARKETS-INST #5840	216.	216.
ARTISAN INTERNATIONAL FD INS #662	480.	480.
DODGE & COX INT'L STOCK FD #1048	797.	797.
DODGE & COX INCOME FD COM #147	947.	947.
DREYFUS INTERNATL BOND FD CL I #6094	52.	52.
EATON VANCE FLOATING RATE FD-I #924	502.	492.
FID ADV EMER MKTS INC- CL I #607	1,891.	1,891.
JP MORGAN MID CAP VALUE-I #758	278.	278.
HARBOR INTERNATIONAL FD INST #2011	711.	711.
HARBOR CAPITAL APRCTION-INST #2012	47.	47.
ISHARES CORE S & P 500 ETF	1,846.	1,846.
ISHARES RUSSELL MID-CAP ETF	771.	771.
ISHARES RUSSELL 2000 ETF	438.	438.
JPMORGAN HIGH YIELD FUND SS #3580	1,964.	1,964.
MFS VALUE FUND-CLASS I #893	979.	979.
OPPENHEIMER DEVELOPING MKT-I #799	264.	264.
PIMCO FOREIGN BD FD USD H-INST #103	130.	108.
PRINCIPAL GL MULT STRAT-INST #4684	15.	15.
T ROWE PRICE SHORT TERM BD FD #55	413.	364.
SPDR DJ WILSHIRE INTERNATIONAL REAL	2,615.	2,615.
VANGUARD FTSE EMERGING MARKETS ETF	834.	834.
VANGUARD REIT VIPER	1,683.	1,160.
WESTERN ASSET INTERM BOND FND-I #224	965.	965.
FEDERATED TREAS OBL FD 68	33.	33.
	-----	-----
TOTAL	18,873.	18,269.
	=====	=====

FORM 990PF, PART I - OTHER INCOME
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----
US TAX REFUND	237.

TOTALS	237.
	=====

FORM 990PF, PART I - ACCOUNTING FEES
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
TAX PREPARATION FEE (NON-ALLOC	1,000.			1,000.
TOTALS	1,000.	NONE	NONE	1,000.
	=====	=====	=====	=====

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----
CUSTODIAN & MANAGEMENT FEES (A)	6,815.	6,815.
TOTALS	6,815.	6,815.
	=====	=====

FORM 990PF, PART I - TAXES
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----
FOREIGN TAXES ON QUALIFIED FOR	239.	239.
FOREIGN TAXES ON NONQUALIFIED	117.	117.
	-----	-----
TOTALS	356.	356.
	=====	=====

FORM 990PF, PART I - OTHER EXPENSES
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	CHARITABLE PURPOSES -----
GRANT ADMIN FEES	891.	891.
TOTALS	----- 891. =====	----- 891. =====

UNDERDOWN FAMILY FOUNDATION INC.

56-1827986

FORM 990PF, PART II - CORPORATE STOCK
=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----	ENDING FMV ---
25264S833 DIAMOND HILL LONG-SH	10,000.	10,000.	10,565.
256206103 DODGE & COX INT'L ST	28,498.	28,498.	33,777.
339128100 JP MORGAN MID CAP VA	16,442.	16,442.	28,626.
411511504 HARBOR CAPITAL APRCT	44,397.	25,626.	43,648.
464287200 ISHARES CORE S & P 5	42,026.	82,104.	102,370.
552983694 MFS VALUE FUND-CLASS	35,854.	30,533.	46,546.
78463X863 SPDR DJ WILSHIRE INT	29,443.	29,443.	28,972.
922042858 VANGUARD FTSE EMERGI	34,565.	34,565.	29,662.
922908553 VANGUARD REIT VIPER	24,098.	23,628.	40,687.
04314H600 ARTISAN MID CAP FUND	27,711.	27,711.	27,245.
63872T885 ASG GLOBAL ALTERNATI	31,765.	31,765.	28,290.
00203H859 AQR MANAGED FUTURES	9,952.	9,952.	9,202.
464287499 ISHARES RUSSELL MID-	39,903.	39,903.	44,894.
464287655 ISHARES RUSSELL 2000	21,503.	39,549.	44,635.
683974604 OPPENHEIMER DEVELOPI	28,927.	28,927.	29,597.
74255L696 PRINCIPAL GL MULT ST	9,800.	9,800.	9,764.
74925K581 BOSTON P LNG/SHRT RE	49,500.	49,500.	52,947.
89155H256 TOUCHSTONE SMALL CAP	20,500.		
90267B682 ETRACS ALERIAN MLP U	20,787.		
003021714 ABERDEEN EMERG MARKE	16,500.	16,500.	14,872.
04314H402 ARTISAN INTERNATIONAL	24,745.	24,745.	31,969.
411511306 HARBOR INTERNATIONAL F	39,355.	39,355.	32,933.
464288869 ISHARES MICRO-CAP ET	4,973.		
63872T729 ASG MANAGED FUTURES		6,900.	6,200.
	-----	-----	-----
TOTALS	611,244.	605,446.	697,401.
	=====	=====	=====

FORM 990PF, PART II - CORPORATE BONDS
=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----	ENDING FMV ---
256210105 DODGE & COX INCOME F	30,116.	30,116.	30,505.
693390882 PIMCO FOREIGN BD FD	9,564.	9,564.	9,440.
77957P105 T ROWE PRICE SHORT T	30,996.	25,594.	25,204.
261980668 DREYFUS INTERNATL BO	10,000.	10,000.	8,575.
277911491 EATON VANCE FLOATING	12,356.	12,337.	12,120.
315920702 FID ADV EMER MKTS IN	24,000.	36,000.	36,618.
543495840 LOOMIS SAYLES BOND F	10,000.		
957663701 WESTERN ASSET INTERM	31,005.	31,005.	30,219.
4812C0803 JPMORGAN HIGH YIELD	36,800.	36,800.	35,636.
	-----	-----	-----
TOTALS	194,837.	191,416.	188,317.
	=====	=====	=====

FORM 990PF, PART III - OTHER DECREASES IN NET WORTH OR FUND BALANCES

=====

DESCRIPTION

AMOUNT

MUTUAL FUND POSTING DATE AFTER TYE
 ROC BASIS ADJUSTMENT
 ROUNDING

337.
 489.
 6.

TOTAL

 832.

=====

FORM 990PF, PART VII-A, LINE 14 - BOOKS ARE IN THE CARE OF
=====

NAME: WELLS FARGO BANK NA

ADDRESS: 100 NORTH MAIN STREET 6TH FLOOR D4001-06
WINSTON-SALEM, NC 27150

TELEPHONE NUMBER: (800) 352-3705

RECIPIENT NAME:

Wells Fargo Bank

ADDRESS:

100 North Main Street 6th Floor D4001-065

Winston-Salem, NC 27101

RECIPIENT'S PHONE NUMBER: 800-352-3705

FORM, INFORMATION AND MATERIALS:

www.wellsfargo.com/private-foundations/underdown-fam

SUBMISSION DEADLINES:

Applications are accepted year-round. Applications must be submitted by April 30th to be reviewed at the summer grant meeting.

RESTRICTIONS OR LIMITATIONS ON AWARDS:

Must qualify as 501(c)(3) and applications must be submitted through the online grant application form. Grants preference may be given to education, faith-based work, & health and health services.

RECIPIENT NAME:

FIRST PRESBYTERIAN CHURCH

ADDRESS:

237 2ND ST NW

HICKORY, NC 28501

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL PURPOSE

FOUNDATION STATUS OF RECIPIENT:

PC

AMOUNT OF GRANT PAID 1,000.

RECIPIENT NAME:

NC SCHOOL OF THE DEAF AT MORGANTON

FOUNDATION

ADDRESS:

PO BOX 1397

MORGANTON, NC 28680-1397

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL PURPOSE

FOUNDATION STATUS OF RECIPIENT:

PC

AMOUNT OF GRANT PAID 2,500.

RECIPIENT NAME:

WOMEN'S RESOURCE CENTER INC

ADDRESS:

PO BOX 1608

HICKORY, NC 28603

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL PURPOSE

FOUNDATION STATUS OF RECIPIENT:

PC

AMOUNT OF GRANT PAID 2,000.

RECIPIENT NAME:
LENOIR-RHYNE UNIVERSITY
ADDRESS:
625 7TH AVENUE, NE
HICKORY, NC 28603
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
SCHOLARSHIP
FOUNDATION STATUS OF RECIPIENT:
PC
AMOUNT OF GRANT PAID 5,000.

RECIPIENT NAME:
CITY OF HICKORY RECREATION
DEPARTMNET
ADDRESS:
1451 8TH ST DR NE
HICKORY, NC 28601
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
GENERAL PURPOSE
FOUNDATION STATUS OF RECIPIENT:
GOV
AMOUNT OF GRANT PAID 5,000.

RECIPIENT NAME:
THE V FOUNDATION
ADDRESS:
106 TOWERVIEW COURT
CARY, NC 27513
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
GENERAL PURPOSE
FOUNDATION STATUS OF RECIPIENT:
PC
AMOUNT OF GRANT PAID 1,000.

RECIPIENT NAME:

BOYS SCOUTS OF AMERICA PIEDMONT
COUNCIL

ADDRESS:

PO BOX 1059 , 1222 E FRANKLIN BLVD
GASTONIA, NC 28053

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL PURPOSE

FOUNDATION STATUS OF RECIPIENT:

PC

AMOUNT OF GRANT PAID 3,500.

RECIPIENT NAME:

CATAWBA COUNTY DEPT OF SOCIAL
SERVICES- BACKPACK PROGRAM

ADDRESS:

PO BOX 669
NEWTON, NC 28658

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL PURPOSE

FOUNDATION STATUS OF RECIPIENT:

PC

AMOUNT OF GRANT PAID 1,000.

RECIPIENT NAME:

CATAWBA COUNTY SPECIAL OLYMPICS

ADDRESS:

2200 GATEWAY CENTRE BLVD
MOORESVILLE, NC 27560

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL PURPOSE

FOUNDATION STATUS OF RECIPIENT:

PC

AMOUNT OF GRANT PAID 500.

RECIPIENT NAME: .
SERVICE LEAGUE OF HICKORY
ADDRESS:
PO BOX 3143
HICKORY, NC 28603
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
GENERAL PURPOSE
FOUNDATION STATUS OF RECIPIENT:
PC
AMOUNT OF GRANT PAID 3,000.

RECIPIENT NAME:
SAFE HARBOR RESCUE MISSION
ADDRESS:
210 2ND ST SE
HICKORY, NC 28602
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
GENERAL PURPOSE
FOUNDATION STATUS OF RECIPIENT:
PC
AMOUNT OF GRANT PAID 3,000.

RECIPIENT NAME:
CATAWBA VALLEY COMMUNITY COLLEGE
ADDRESS:
2550 HWY 78 SE
HICKORY, NC 28602
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
GENERAL PURPOSE
FOUNDATION STATUS OF RECIPIENT:
PC
AMOUNT OF GRANT PAID 1,000.

UNDERDOWN FAMILY FOUNDATION INC.

56-1827986

FORM 990PF, PART XV, LINE 3a - CONTRIBUTIONS, GIFTS, GRANTS PAID
=====

RECIPIENT NAME:

HABITAT FOR HUMANITY OF CATAWBA
COUNTY

ADDRESS:

772 4TH ST SW
HICKORY, NC 28602

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL PURPOSE

FOUNDATION STATUS OF RECIPIENT:

PC

AMOUNT OF GRANT PAID 17,000.

RECIPIENT NAME:

CATAWBA COUNTY PARTNERSHIP FOR
CHILDREN

ADDRESS:

PO BOX 3123
HICKORY, NC 28603

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL PURPOSE

FOUNDATION STATUS OF RECIPIENT:

PC

AMOUNT OF GRANT PAID 2,500.

TOTAL GRANTS PAID:

48,000.

=====