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 7/01 , 2016, and ending 6/30 , 2017

SHELTON FAMILY FOUNDATION
P.O. BOX 2791
ABILENE, TX 79604

A Employer identification number 75-2655885

B Telephone number (see instructions) (325) 676-7724

C If exemption application is pending, check here ► ☐

D 1 Foreign organizations, check here ► ☐

2 Foreign organizations meeting the 85% test, check here and attach computation ► ☐

E 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 ► ☐

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ 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, column (c), line 16) ► $ 23,194,478.

J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) (Part I, column (d) must be on cash basis.)

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	41,347.	41,347.	N/A	
	4 Dividends and interest from securities	338,577.	338,577.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	435,158.			
	b Gross sales price for all assets on line 6a 4,143,496.				
	7 Capital gain net income (from Part IV, line 2)		435,158.		
	8 Net short-term capital gain			RECEIV	
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)			OGDEN,	
	11 Other income (attach schedule)				
	12 **Total.** Add lines 1 through 11	815,082.	815,082.		
OPERATING AND ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc	136,731.	34,183.		102,548.
	14 Other employee salaries and wages	63,419.	15,855.		47,564.
	15 Pension plans, employee benefits	38,041.	9,510.		28,531.
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch) SEE ST 1	8,710.	2,178.		6,532.
	c Other professional fees (attach sch)				
	17 Interest				
	18 Taxes (attach schedule)(see instrs) SEE STM 2	28,434.	8,835.		8,134.
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings	158.	40.		118.
	22 Printing and publications				
	23 Other expenses (attach schedule) SEE STATEMENT 3	30,854.	19,602.		11,252.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	306,347.	90,203.		204,679.
	25 Contributions, gifts, grants paid PART XV	974,343.			974,343.
	26 **Total expenses and disbursements.** Add lines 24 and 25	1,280,690.	90,203.		1,179,022.
	27 Subtract line 26 from line 12:				
	a **Excess of revenue over expenses and disbursements**	-465,608.			
	b **Net investment income** (if negative, enter -0-)		724,879.		
	c **Adjusted net income** (if negative, enter -0-)				

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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 (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
ASSETS			
1 Cash — non-interest-bearing			
2 Savings and temporary cash investments	1,455,618.	2,554,802.	2,554,802.
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) STATEMENT 4	25,785,154.	26,301,309.	8,243,656.
c Investments — corporate bonds (attach schedule) STATEMENT 5		2,857,383.	2,868,085.
11 Investments — land, buildings, and equipment basis ►			
Less accumulated depreciation (attach schedule) ►			
12 Investments — mortgage loans			
13 Investments — other (attach schedule) STATEMENT 6	12,706,113.	7,798,623.	9,507,935.
14 Land, buildings, and equipment: basis ►			
Less. accumulated depreciation (attach schedule) ►			
15 Other assets (describe ► SEE STATEMENT 7)	50,840.	20,000.	20,000.
16 **Total assets** (to be completed by all filers — see the instructions. Also, see page 1, item I)	39,997,725.	39,532,117.	23,194,478.
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)	0.	0.	
NET ASSETS OR FUND BALANCES			
Foundations that follow SFAS 117, check here ► [X] and complete lines 24 through 26 and lines 30 and 31.			
24 Unrestricted	39,997,725.	39,532,117.	
25 Temporarily restricted			
26 Permanently restricted			
Foundations that do not follow SFAS 117, check here ► [ ] and complete lines 27 through 31.			
27 Capital stock, trust principal, or current funds			
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)	39,997,725.	39,532,117.	
31 **Total liabilities and net assets/fund balances** (see instructions)	39,997,725.	39,532,117.	

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	39,997,725.
2	Enter amount from Part I, line 27a	2	-465,608.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	39,532,117.
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	39,532,117.

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 (mo , day, yr)	(d) Date sold (mo , day, yr)
1a	PUBLICLY TRADED SECURITIES	P	VARIOUS	VARIOUS
b	CAPITAL GAIN DIVIDENDS			
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	4,135,260.		3,708,338.	426,922.
b				
c				
d				
e				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
	(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	
a				426,922.
b				8,236.
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	435,158.
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	0.

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	1,635,659.	24,318,709.	0.067259
2014	2,104,753.	36,082,952.	0.058331
2013	2,041,063.	43,255,917.	0.047186
2012	2,011,338.	39,872,666.	0.050444
2011	2,483,320.	44,224,867.	0.056152

2	**Total** of line 1, column (d)	2	0.279372
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	0.055874
4	Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	23,586,131.
5	Multiply line 4 by line 3	5	1,317,851.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	7,249.
7	Add lines 5 and 6	7	1,325,100.
8	Enter qualifying distributions from Part XII, line 4	8	1,179,022.

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 ► [ ] 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	14,498.
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	0.
3	Add lines 1 and 2		3	14,498.
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	14,498.
6	Credits/Payments			
a	2016 estimated tax pmts and 2015 overpayment credited to 2016	6a 20,000.		
b	Exempt foreign organizations – tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments. Add lines 6a through 6d		7	20,000.
8	Enter any **penalty** for underpayment of estimated tax Check here [X] 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	0.
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ►		10	5,502.
11	Enter the amount of line 10 to be: **Credited to 2017 estimated tax** ► 5,502.	**Refunded** ►	11	0.

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?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	1b		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?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation ► $ 0. **(2)** On foundation managers ► $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► $ 0.			
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*	2		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*	3		X
4 a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If 'Yes,' has it filed a tax return on **Form 990-T** for this year?	4b	N/A	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If 'Yes,' attach the statement required by General Instruction T*	5		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?	6	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*	7	X	
8 a	Enter the states to which the foundation reports or with which it is registered (see instructions) ► TX			
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*	8b	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*	9		X
10	Did any persons become substantial contributors during the tax year? *If 'Yes,' attach a schedule listing their names and addresses*	10		X

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
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) SEE ST 8	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 ► DAVID L. COPELAND, PRESIDENT Telephone no. ► (325) 676-7724
Located at ► 273 WALNUT ABILENE TX ZIP + 4 ► 79601

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** – Check here N/A ► ☐
and enter the amount of tax-exempt interest received or accrued during the year ► 15 N/A

			Yes	No
16	At any time during calendar year 2016, 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 FinCEN Form 114. 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?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☒ Yes ☐ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☒ Yes ☐ 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)?	☐ Yes ☒ 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)	☐ Yes ☒ 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 ► ☐				
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 2016?		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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016?	☐ Yes ☒ 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	N/A	
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?	☒ Yes ☐ No			
b	If 'Yes,' did it have excess business holdings in 2016 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 2016)*		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 2016?		4 b		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)? **5b** N/A

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? N/A ☐ 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? **6b** X (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? N/A **7b**

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
SEE STATEMENT 9		136,731.	19,710.	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
MITTIE BLACKBURN P.O. BOX 2791 ABILENE, TX 79604	GRANTS ADMIN. 21	44,539.	10,919.	0.
Total number of other employees paid over $50,000 ►				0

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 ►		0

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	Expenses
1 N/A	
2	
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	Amount
1 N/A	
2	
All other program-related investments See instructions. 3	
Total. Add lines 1 through 3 ►	0.

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	23,033,379.
b	Average of monthly cash balances		1b	911,932.
c	Fair market value of all other assets (see instructions)		1c	
d	**Total** (add lines 1a, b, and c)		1d	23,945,311.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e 446,609.		
2	Acquisition indebtedness applicable to line 1 assets		2	0.
3	Subtract line 2 from line 1d		3	23,945,311.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)		4	359,180.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	23,586,131.
6	**Minimum investment return.** Enter 5% of line 5		6	1,179,307.

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	1,179,307.
2a	Tax on investment income for 2016 from Part VI, line 5	2a 14,498.		
b	Income tax for 2016. (This does not include the tax from Part VI.)	2b		
c	Add lines 2a and 2b		2c	14,498.
3	Distributable amount before adjustments. Subtract line 2c from line 1		3	1,164,809.
4	Recoveries of amounts treated as qualifying distributions		4	
5	Add lines 3 and 4		5	1,164,809.
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	1,164,809.

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	1,179,022.
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	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,179,022.
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	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	1,179,022.

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				1,164,809.
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only			1,105,954.	
b Total for prior years 20 ___, 20 ___, 20 ___		0.		
3 Excess distributions carryover, if any, to 2016				
a From 2011				
b From 2012				
c From 2013				
d From 2014				
e From 2015				
f **Total** of lines 3a through e	0.			
4 Qualifying distributions for 2016 from Part XII, line 4: ► $ 1,179,022.				
a Applied to 2015, but not more than line 2a			1,105,954.	
b Applied to undistributed income of prior years (Election required – see instructions)		0.		
c Treated as distributions out of corpus (Election required – see instructions)	0.			
d Applied to 2016 distributable amount				73,068.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2016 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
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		0.		
d Subtract line 6c from line 6b. Taxable amount – see instructions		0.		
e Undistributed income for 2015 Subtract line 4a from line 2a Taxable amount – see instructions			0.	
f Undistributed income for 2016 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2017				1,091,741.
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)	0.			
8 Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions)	0.			
9 **Excess distributions carryover to 2017.** Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9.				
a Excess from 2012				
b Excess from 2013				
c Excess from 2014				
d Excess from 2015				
e Excess from 2016				

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 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)

	Tax year	Prior 3 years			(e) Total
	(a) 2016	(b) 2015	(c) 2014	(d) 2013	
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).)

NONE

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.

NONE

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 10

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

SEE STATEMENT FOR LINE 2A

c Any submission deadlines:

SEE STATEMENT FOR LINE 2A

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

SEE STATEMENT FOR LINE 2A

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*				
SEE ATTACHED SCHEDULE	N/A	PUBLIC	VARIOUS	974,343.
Total			► 3a	974,343.
b *Approved for future payment*				
SEE ATTACHED SCHEDULE				526,815.
Total			► 3b	526,815.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions.)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue.					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	41,347.	
4 Dividends and interest from securities			14	338,577.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	435,158.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				815,082.	
13 Total. Add line 12, columns (b), (d), and (e)				13	815,082.

(See worksheet in line 13 instructions to verify calculations.)

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

Line No. ▼	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.)
N/A	

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

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?

		Yes	No
a Transfers from the reporting foundation to a noncharitable exempt organization of			
(1) Cash	1 a (1)		X
(2) Other assets	1 a (2)		X
b Other transactions:			
(1) Sales of assets to a noncharitable exempt organization	1 b (1)		X
(2) Purchases of assets from a noncharitable exempt organization	1 b (2)		X
(3) Rental of facilities, equipment, or other assets	1 b (3)		X
(4) Reimbursement arrangements	1 b (4)		X
(5) Loans or loan guarantees	1 b (5)		X
(6) Performance of services or membership or fundraising solicitations	1 b (6)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1 c		X

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

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
N/A			

2 a 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
N/A		

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 | Date 8/14/2017 | Title President

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
JOE MELSON, CPA	Joe Melson CPA	8/9/17		P00158111

Firm's name ► DAVIS KINARD & CO, PC | Firm's EIN ► 75-1332266

Firm's address ► 400 PINE ST., STE. 600, ABILENE, TX 79601 | Phone no (325) 672-4000

TEEA0503L 12/16/16

STATEMENT 1
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
DAVIS KINARD & COMPANY	$ 8,710.	$ 2,178.		$ 6,532.
TOTAL	$ 8,710.	$ 2,178.		$ 6,532.

STATEMENT 2
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
2015 EXCISE TAX	$ 11,465.			
PAYROLL TAXES	10,846.	$ 2,712.		$ 8,134.
FOREIGN TAXES	6,123.	6,123.		
TOTAL	$ 28,434.	$ 8,835.		$ 8,134.

STATEMENT 3
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INSURANCE EXPENSE	$ 5,044.	$ 1,261.		$ 3,783.
OFFICE EXPENSE	673.	168.		505.
PROFESSIONAL DUES	750.	188.		562.
GRANTS-SOFTWARE/UPGRADES	6,402.			6,402.
INVESTMENT FEE	17,985.	17,985.		
TOTAL	$ 30,854.	$ 19,602.		$ 11,252.

STATEMENT 4
FORM 990-PF, PART II, LINE 10B
INVESTMENTS - CORPORATE STOCKS

CORPORATE STOCKS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
HARTE HANKS STOCK	COST	$ 23,116,174.	$ 2,838,905.
ABBOTT LABORATORIES	COST	17,184.	34,027.
ADP INC	COST	124,369.	338,118.
CHEVRON CORP	COST	66,501.	88,993.
COCA-COLA COMPANY	COST	46,431.	71,760.
EXXON MOBIL CORP	COST	70,012.	92,355.
INTEL CORP	COST	41,302.	77,602.
JOHNSON & JOHNSON	COST	62,293.	138,905.
MCDONALDS CORP	COST	36,978.	76,580.

STATEMENT 4 (CONTINUED)
FORM 990-PF, PART II, LINE 10B
INVESTMENTS - CORPORATE STOCKS

CORPORATE STOCKS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
MEDTRONIC PLC	COST	$ 75,668.	$ 88,750.
MERCK & COMPANY INC	COST	35,967.	64,090.
MICROSOFT CORP	COST	62,790.	179,218.
NESTLE S A SPNSD ADR	COST	220,465.	283,400.
PEPSICO INC	COST	42,705.	75,069.
PROCTER & GAMBLE COMPANY	COST	60,370.	87,150.
WAL-MART STORES INC	COST	31,210.	45,408.
3M COMPANY	COST	33,498.	83,276.
EXPRESS SCRIPTS	COST	134,061.	178,752.
IDEXX LABORATORIES INC	COST	93,667.	403,550.
METTLER-TOLEDO INTERNATIONAL INC	COST	86,360.	411,978.
VARIAN MED SYS INC	COST	40,415.	103,190.
CME GROUP INC	COST	95,399.	212,908.
SGS SA	COST	66,013.	121,150.
WABTEC	COST	99,893.	237,900.
ABBVIE INC	COST	18,634.	50,757.
APPLE INC	COST	67,218.	158,422.
CISCO SYSTEMS	COST	62,600.	89,205.
GOOGLE INC	COST	62,782.	139,452.
ORACLE CORP	COST	89,693.	125,350.
ECOLAB	COST	63,027.	79,650.
VISA INC	COST	182,404.	262,584.
ANGLO AMERICAN PLC	COST	97,421.	93,128.
BILLITON LIMITED	COST	101,304.	99,652.
BP PLC	COST	99,132.	93,555.
RIO TINTO	COST	100,552.	110,006.
ROYAL DUTCH SHELL	COST	98,718.	92,531.
SOCIEDAD QUIMICA	COST	99,627.	115,570.
SOUTHER COPPER CORP	COST	101,984.	110,816.
TECK RESOURCES LTD	COST	98,541.	79,718.
TOTAL SA	COST	98,471.	99,180.
VAREX	COST	0.	13,520.
YARA INTERNATIONAL	COST	99,476.	97,526.
	TOTAL	$ 26,301,309.	$ 8,243,656.

STATEMENT 5
FORM 990-PF, PART II, LINE 10C
INVESTMENTS - CORPORATE BONDS

CORPORATE BONDS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
IBM BOND	COST	$ 578,903.	$ 573,905.
EXXON BOND	COST	249,917.	250,610.
WAL-MART BOND	COST	521,692.	520,715.
ORACLE BOND	COST	497,853.	504,745.
MICROSOFT BOND	COST	493,407.	497,965.
APPLE BOND	COST	515,611.	520,145.
	TOTAL	$ 2,857,383.	$ 2,868,085.

STATEMENT 6
FORM 990-PF, PART II, LINE 13
INVESTMENTS - OTHER

	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
OTHER PUBLICLY TRADED SECURITIES			
ARTISAN INTERNATIONAL FUND	COST	$ 724,061.	$ 1,250,768.
DODGE & COX STOCK FUND	COST	102,500.	255,035.
HARBOR INTERNATIONAL FUND	COST	943,753.	1,313,222.
VANGUARD DEVELOPED MARKETS INDEX	COST	990,565.	1,386,399.
VANGUARD TOTAL BOND MKT. INDEX	COST	3,510,944.	3,656,480.
VANGUARD TOTAL STOCK MKT.	COST	103,000.	271,512.
VANGUARD FTSE EMERGING MARKET	COST	549,910.	518,541.
VANGUARD EMERGING MARKETS STOCK INDEX	COST	873,890.	855,978.
	TOTAL	$ 7,798,623.	$ 9,507,935.

STATEMENT 7
FORM 990-PF, PART II, LINE 15
OTHER ASSETS

	BOOK VALUE	FAIR MARKET VALUE
PRE-PAID FEDERAL EXCISE TAX	$ 20,000.	$ 20,000.
TOTAL	$ 20,000.	$ 20,000.

STATEMENT 8
FORM 990-PF, PART VII-A, LINE 12
EXPLANATION OF DISTRIBUTION TO DONOR ADVISED FUND

DURING THE YEAR, THE FOUNDATION MADE $200,000 IN DISTRIBUTIONS TO THE COMMUNITY FOUNDATION OF ABILENE DONOR ADVISED FUNDS. ALL OF THESE DISTRIBUTIONS WERE CLAIMED AS QUALIFYING DISTRIBUTIONS ON FORM 990-PF. THE COMMUNITY FOUNDATION OF ABILENE RESTRICTS THE DISTRIBUTIONS TO QUALIFIED 501(C)(3) ORGANIZATIONS. THE DISTRIBUTIONS WILL BE USED TO ACCOMPLISH VARIOUS PURPOSES DESCRIBED IN SECTION 170(C)(2)(B).

STATEMENT 9
FORM 990-PF, PART VIII, LINE 1
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN-SATION	CONTRI-BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
DAVID L. COPELAND P.O. BOX 2791 ABILENE, TX 79604	PRES/TREAS/DIR 30.00	$ 136,731.	$ 19,710.	$ 0.

STATEMENT 9 (CONTINUED)
FORM 990-PF, PART VIII, LINE 1
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN-SATION	CONTRI-BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
RUBY W. SHELTON P.O. BOX 2791 ABILENE, TX 79604	DIRECTOR 3.00	$ 0.	$ 0.	$ 0.
SHAY SHELTON HOFFMAN P.O. BOX 2791 ABILENE, TX 79604	DIRECTOR 3.00	0.	0.	0.
SINDY SHELTON DURHAM P.O. BOX 2791 ABILENE, TX 79604	DIRECTOR 3.00	0.	0.	0.
C. CHRISTINE NICHOLS P.O. BOX 2791 ABILENE, TX 79604	ADVISORY DIR. 1.00	0.	0.	0.
WENDY H. DURHAM P.O. BOX 2791 ABILENE, TX 79604	DIRECTOR 3.00	0.	0.	0.
ANDREW D. DURHAM P.O. BOX 2791 ABILENE, TX 79604	DIRECTOR 3.00	0.	0.	0.
DAVID R. DURHAM P.O. BOX 2791 ABILENE, TX 79604	DIRECTOR 3.00	0.	0.	0.
LEONARD R. HOFFMAN P.O. BOX 2791 ABILENE, TX 79604	DIRECTOR 3.00	0.	0.	0.
	TOTAL	$ 136,731.	$ 19,710.	$ 0.

STATEMENT 10
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION

NAME OF GRANT PROGRAM:	
NAME:	SHELTON FAMILY FOUNDATION
CARE OF:	DAVID L. COPELAND, PRESIDENT
STREET ADDRESS:	P.O. BOX 2791
CITY, STATE, ZIP CODE:	ABILENE, TX 79604
TELEPHONE:	325-676-7724
E-MAIL ADDRESS:	
FORM AND CONTENT:	CONTACT FOUNDATION MANAGER TO RECEIVE APPLICATION GUIDELINES.
SUBMISSION DEADLINES:	NONE
RESTRICTIONS ON AWARDS:	LIMITED TO 501(C)(3) ORGANIZATIONS OR GOVERNMENTAL ENTITIES, PRIMARILY IN WEST CENTRAL TEXAS.

Schedule of Appropriations and Payments

Fiscal Year 2016

6/30/2017

Recipient and/or Purpose	Tax Status	Beginning Balance 2016	Newly Allocated 2016	Amended 2016	Amount Paid 2016	Ending Balance 2016
Abilene Arts Alliance 1101 North 1st Abilene, TX 79601 *2016-2017 Broadway Series* $1,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$1,000 00	$0 00	$1,000.00	$0 00
Abilene Arts Alliance 1101 North 1st Abilene, TX 79601 *Storybook Family Shows* $2,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$2,000 00	$0 00	$2,000 00	$0 00
Abilene Arts Alliance 1101 North 1st Abilene, TX 79601 *Young Audiences with 2017 NCCIL Exhibits* $4,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$4,000 00	$0.00	$4,000.00	$0.00
Abilene Chamber of Commerce Foundation P O Box 2281 Abilene, TX 79604 *MLK Banquet* $1,500 00 2016	501(c)(3) - Tax Exempt	$0 00	$1,500 00	$0.00	$1,500.00	$0.00
Abilene Christian Schools, Inc. 2550 North Judge Ely Blvd Abilene, TX 79601 *Starlight and Spurs* $750 00 2016	501(c)(3) - Tax Exempt	$0 00	$750 00	$0.00	$750.00	$0.00

Schedule of Appropriations and Payments — Fiscal Year 2016

Recipient and/or Purpose	Tax Status	Beginning Balance 2016	Newly Allocated 2016	Amended 2016	Amount Paid 2016	Ending Balance 2016
Abilene Christian University ACU Box 29100 Abilene, TX 76999 *High-Definition Upgrade* $100,000 00 2014	501(c)(3) - Tax Exempt	$100,000 00	$0 00	$0.00	$100,000 00	$0 00
Abilene Christian University ACU Box 29100 Abilene, TX 76999 *Springboard Program* $500 00 2016	501(c)(3) - Tax Exempt	$0 00	$500 00	$0.00	$500.00	$0.00
The Abilene Education Fund P O Box 1999 Abilene, TX 79604 *2017-2020 COOL Program* $327,000 00 2016	501(c)(3) - Tax Exempt	$0 00	$327,000 00	$0 00	$80,000 00	$247,000 00
Habitat for Humanity Abilene, TX, Inc. 101 Fulwiler Road Abilene, TX 79603 *House Sponsorships* $40,000.00 2015	501(c)(3) - Tax Exempt	$20,000.00	$0 00	$0 00	$20,000 00	$0 00
Habitat for Humanity Abilene, TX, Inc. 101 Fulwiler Road Abilene, TX 79603 *Annual Luncheon* $1,000 00 2016	501(c)(3) - Tax Exempt	$0 00	$1,000.00	$0 00	$1,000 00	$0 00

Schedule of Appropriations and Payments — Fiscal Year 2016

Recipient and/or Purpose	Tax Status	Beginning Balance 2016	Newly Allocated 2016	Amended 2016	Amount Paid 2016	Ending Balance 2016
Abilene Hope Haven, Inc. 801 South Treadaway Blvd Abilene, TX 79602 *Hope Housing Services* $12,500.00 2016	501(c)(3) - Tax Exempt	$0 00	$12,500 00	$0 00	$12,500 00	$0.00
Abilene Opera Association P O Box 6611 Abilene, TX 79608 *Messiah* $500.00 2016	501(c)(3) - Tax Exempt	$0 00	$500 00	$0.00	$500 00	$0 00
Abilene Performing Arts Company, Inc. 1049 Industrial Blvd., Suite 200 Abilene, TX 79602 *Scholarship Fund* $500 00 2016	501(c)(3) - Tax Exempt	$0 00	$500 00	$0.00	$500 00	$0 00
Abilene Philharmonic Guild, Inc. 401 Cypress, Ste 520 Abilene, TX 79601 *2017 Ball* $5,000.00 2015	501(c)(3) - Tax Exempt	$5,000 00	$0 00	$0.00	$5,000.00	$0.00
Abilene Philharmonic Guild, Inc. 401 Cypress, Ste 520 Abilene, TX 79601 *2018 Ball* $5,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$5,000 00	$0.00	$0 00	$5,000 00

Schedule of Appropriations and Payments — Fiscal Year 2016

Recipient and/or Purpose	Tax Status	Beginning Balance 2016	Newly Allocated 2016	Amended 2016	Amount Paid 2016	Ending Balance 2016
Abilene Preservation League P O Box 3451 Abilene, TX 79604 *Heritage Stewardship Awards* $1,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$1,000 00	$0.00	$1,000.00	$0 00
Abilene Youth Sports Authority, Inc. 4351 Ridgemont Dr., Ste. E Abilene, TX 79606 *Sports Center* $50,000 00 2016	501(c)(3) - Tax Exempt	$0 00	$50,000 00	$0 00	$0.00	$50,000 00
Abilene Zoological Society Hwy 36 & Loop 322 2070 Zoo Lane Abilene, TX 79602 *Golden Zoobilation* $1,000 00 2016	501(c)(3) - Tax Exempt	$0.00	$1,000 00	$0 00	$1,000 00	$0 00
Alliance for Women & Children 1350 North Tenth Abilene, TX 79601 *Fall 2017 Luncheon* $500.00 2016	501(c)(3) - Tax Exempt	$0.00	$500 00	$0.00	$500.00	$0.00
American Association of University Women PO Box 6107 Abilene, TX 79608 *Women of Outstanding Achievement* $1,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$1,000 00	$0.00	$1,000 00	$0.00

Schedule of Appropriations and Payments — Fiscal Year 2016

Recipient and/or Purpose	Tax Status	Beginning Balance 2016	Newly Allocated 2016	Amended 2016	Amount Paid 2016	Ending Balance 2016
American Cancer Society High Plains Division 3402 North First St , Ste. 102 Abilene, TX 79603 *Cattle Baron's Ball* $1,200.00 2016	501(c)(3) - Tax Exempt	$0.00	$1,200 00	$0 00	$1,200 00	$0 00
Abilene Boys Ranch 501 Ben Richey Drive P O Box 6839 Abilene, TX 79608 *Vision of Hope* $50,000 00 2016	501(c)(3) - Tax Exempt	$0 00	$50,000 00	$0.00	$0.00	$50,000 00
Big Country Athletic Hall of Fame 25 Glen Abbey Abilene, TX 79606 *Class of 2017* $500.00 2016	501(c)(3) - Tax Exempt	$0 00	$500.00	$0 00	$500.00	$0.00
Big Country CASA 400 Oak Street, Ste 217 Abilene, TX 79602 *Operations* $5,000.00 2015	501(c)(3) - Tax Exempt	$5,000 00	$0 00	$0 00	$5,000.00	$0 00
Big Country CASA 400 Oak Street, Ste. 217 Abilene, TX 79602 *Volunteer Coordinator* $5,000 00 2016	501(c)(3) - Tax Exempt	$0 00	$5,000.00	$0 00	$5,000.00	$0.00

Schedule of Appropriations and Payments — Fiscal Year 2016

Recipient and/or Purpose	Tax Status	Beginning Balance 2016	Newly Allocated 2016	Amended 2016	Amount Paid 2016	Ending Balance 2016
Boy Scouts of America 3811 N 1st Abilene, TX 79603 *2016 Distinguished Citizens Award Dinner* $2,500.00 2016	501(c)(3) - Tax Exempt	$0.00	$2,500 00	$0 00	$2,500.00	$0.00
Boys and Girls Club of Abilene, Inc. 465 Cypress, Suite 12 P O Box 2013 Abilene, TX 79604 *Clyde Club* $25,000 00 2016	501(c)(3) - Tax Exempt	$0 00	$25,000 00	$0.00	$0 00	$25,000 00
Callahan County Aging Services County Courthouse #302 Baird, TX 79504 *2017 Operations* $5,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$5,000 00	$0.00	$5,000 00	$0 00
Gifts of Hope Foundation P O Box 2026 Abilene, TX 79604 *Run Together 5K* $1,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$1,000 00	$0.00	$1,000.00	$0 00
Celebrate Forever Families P.O. Box 216 Kaufman, TX 75412 *Forever Families* $95,000 00 2015	501(c)(3) - Tax Exempt	$62,500 00	$0 00	$0 00	$62,500 00	$0.00

Schedule of Appropriations and Payments — Fiscal Year 2016

Recipient and/or Purpose	Tax Status	Beginning Balance 2016	Newly Allocated 2016	Amended 2016	Amount Paid 2016	Ending Balance 2016
Celebrate Forever Families P.O Box 216 Kaufman, TX 75412 *Operations* $73,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$73,000 00	$0.00	$30,685 00	$42,315 00
Center for Contemporary Arts 220 Cypress Abilene, TX 79601 *2014-2016 ArtReach Program* $7,500 00 2013	501(c)(3) - Tax Exempt	$2,500 00	$0 00	$0.00	$2,500 00	$0 00
Center for Contemporary Arts 220 Cypress Abilene, TX 79601 *2017-2019 ArtReach Program* $7,500 00 2016	501(c)(3) - Tax Exempt	$0 00	$7,500 00	$0.00	$2,500.00	$5,000 00
CFA - Shelton Family Foundation DAF P O Box 1001 Abilene, TX 79604 *DAF Grant* $200,000 00 2016	501(c)(3) - Tax Exempt	$0.00	$200,000.00	$0.00	$200,000.00	$0 00
Chorus Abilene P O. Box 3358 Abilene, TX 79604 *Spotlight* $1,000 00 2016	501(c)(3) - Tax Exempt	$0 00	$1,000 00	$0 00	$1,000 00	$0 00

Schedule of Appropriations and Payments — Fiscal Year 2016

Recipient and/or Purpose	Tax Status	Beginning Balance 2016	Newly Allocated 2016	Amended 2016	Amount Paid 2016	Ending Balance 2016
Christian Homes & Family Services 1202 Estates Drive Abilene, TX 79602 *2017 Called Her Blessed Luncheon* $500.00 2016	501(c)(3) - Tax Exempt	$0 00	$500 00	$0.00	$500 00	$0 00
Community Foundation of Abilene P O Box 1001 Abilene, TX 79604 *New Office Building* $100,000 00 2015	501(c)(3) - Tax Exempt	$100,000 00	$0 00	$0.00	$25,000 00	$75,000.00
Connecting Caring Communities 2701 Hickory Street Abilene, TX 79601 *Fall Family Fun Night* $1,000 00 2016	501(c)(3) - Tax Exempt	$0 00	$1,000 00	$0 00	$1,000 00	$0 00
Connecting Caring Communities 2701 Hickory Street Abilene, TX 79601 *N2N Network* $30,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$30,000.00	$0.00	$0 00	$30,000.00
Cystic Fibrosis Foundation 4040 North Central Expressway, Ste 730 Dallas, TX 75204 *Great Strides Walk 2017* $1,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$1,000 00	$0 00	$1,000 00	$0 00

Schedule of Appropriations and Payments — Fiscal Year 2016

Recipient and/or Purpose	Tax Status	Beginning Balance 2016	Newly Allocated 2016	Amended 2016	Amount Paid 2016	Ending Balance 2016
Day Nursery of Abilene 702 Cedar Street Abilene, TX 79601 *Putt Fore Children* $1,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$1,000 00	$0 00	$1,000 00	$0.00
Day Nursery of Abilene 702 Cedar Street Abilene, TX 79601 *Putt Fore Children* $1,000 00 2016	501(c)(3) - Tax Exempt	$0 00	$1,000 00	$0 00	$1,000 00	$0.00
Disability Resources, Incorporated P O Box 1880 Abilene, TX 79604 *30 Year Anniversary* $1,500 00 2016	501(c)(3) - Tax Exempt	$0 00	$1,500 00	$0 00	$1,500 00	$0 00
Expo Center of Taylor County 1700 Highway 36 Abilene, TX 79602 *Evening for the Expo* $1,200 00 2016	501(c)(3) - Tax Exempt	$0 00	$1,200 00	$0.00	$1,200 00	$0.00
Food Bank of Abilene, Inc. 5505 North 1st Street Abilene, TX 79603 *Year End Need* $5,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$5,000 00	$0.00	$5,000 00	$0.00

Schedule of Appropriations and Payments

Fiscal Year 2016

Recipient and/or Purpose	Tax Status	Beginning Balance 2016	Newly Allocated 2016	Amended 2016	Amount Paid 2016	Ending Balance 2016
Friends of the Abilene Public Library c/o 202 Cedar Abilene, TX 79601 *2017 West Texas Book & Music Festival* $2,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$2,000.00	$0.00	$2,000 00	$0 00
Global Samaritan Resources, Inc. P.O Box 3431 Abilene, TX 79604 *The Denton Program* $1,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$1,000 00	$0 00	$1,000.00	$0.00
Abilene Goodwill Industries Inc. 2200 North First Abilene, TX 79603 *Career Center* $15,000 00 2016	501(c)(3) - Tax Exempt	$0 00	$15,000 00	$0 00	$10,000 00	$5,000 00
Grace Museum 102 Cypress St Abilene, TX 79601 *2017 Annual Fall Benefit* $5,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$5,000 00	$0 00	$5,000 00	$0 00
Hardin-Simmons University P O Box 16000 Abilene, TX 79698 *Round Table Scholarship* $1,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$1,000 00	$0 00	$1,000.00	$0 00

Schedule of Appropriations and Payments — Fiscal Year 2016

Recipient and/or Purpose	Tax Status	Beginning Balance 2016	Newly Allocated 2016	Amended 2016	Amount Paid 2016	Ending Balance 2016
Harmony Family Services, Inc. 305 Grape St Abilene, TX 79601 *50th Anniversary* $1,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$1,000 00	$0.00	$1,000 00	$0.00
Harmony Family Services, Inc. 305 Grape St Abilene, TX 79601 *New Computers* $6,908.00 2016	501(c)(3) - Tax Exempt	$0 00	$6,908 00	$0.00	$6,908.00	$0.00
Hendrick Home for Children P O Box 5195 Abilene, TX 79608 *Dancing with the Stars* $500.00 2016	501(c)(3) - Tax Exempt	$0 00	$500 00	$0.00	$500 00	$0 00
Hendrick Hospice Care, Inc. P O Box 1922 Abilene, TX 79604 *Nelle Hooks Memorial* $250 00 2016	501(c)(3) - Tax Exempt	$0 00	$250 00	$0 00	$250 00	$0 00
Hispanic Leadership Council P O Box 2255 Abilene, TX 79604 *2017 Planning for College and Career* $500.00 2016	501(c)(3) - Tax Exempt	$0 00	$500 00	$0.00	$500 00	$0 00

Schedule of Appropriations and Payments — Fiscal Year 2016

Recipient and/or Purpose	Tax Status	Beginning Balance 2016	Newly Allocated 2016	Amended 2016	Amount Paid 2016	Ending Balance 2016
Historic Paramount Theatre, Inc. P O Box 1818 Abilene, TX 79604 *Guys and Dolls, Jr* $500 00 2016	501(c)(3) - Tax Exempt	$0 00	$500 00	$0.00	$500 00	$0 00
Interested Citizens of Abilene North 701 Mesquite Street Abilene, TX 79601 *I-Can Hero Luncheon* $500 00 2016	501(c)(3) - Tax Exempt	$0.00	$500 00	$0.00	$500.00	$0 00
Junior Achievement of the Chisholm Trail, Inc. 3300 South 14th, Suite 205 Abilene, TX 79605 *Capacity Building* $15,000.00 2015	501(c)(3) - Tax Exempt	$15,000 00	$0 00	$0 00	$15,000 00	$0 00
Kenley School 1434 Matador Abilene, TX 79605 *2017 Operations* $55,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$55,000 00	$0.00	$55,000 00	$0 00
Love & Care Ministries 233 Fannin Abilene, TX 79603 *John 3 16 Ministry* $81,000 00 2016	501(c)(3) - Tax Exempt	$0 00	$81,000 00	$0 00	$81,000 00	$0 00

Schedule of Appropriations and Payments — Fiscal Year 2016

Recipient and/or Purpose	Tax Status	Beginning Balance 2016	Newly Allocated 2016	Amended 2016	Amount Paid 2016	Ending Balance 2016
March of Dimes Birth Defects Foundation 402 Cypress Street, Suite 806 Abilene, TX 79601 *Signature Chefs* $1,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$1,000 00	$0 00	$1,000 00	$0 00
Meals on Wheels Plus, Incorporated P O Box 903 Abilene, TX 79604 *Charity Golf Tournament* $1,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$1,000 00	$0.00	$1,000 00	$0.00
National Center for Children's Illustrated Literature 102 Cedar Abilene, TX 79601 *2017 Operations Support* $42,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$42,000 00	$0.00	$42,000 00	$0.00
Presbyterian Medical Care Mission 1857 Pine St., Ste 100 Abilene, TX 79601 *Pull for Patients* $1,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$1,000 00	$0.00	$1,000 00	$0 00
Regional Victim Crisis Center P O Box 122 Abilene, TX 79604 *Building Capacity* $5,000 00 2016	501(c)(3) - Tax Exempt	$0 00	$5,000 00	$0 00	$5,000 00	$0 00

Schedule of Appropriations and Payments — Fiscal Year 2016

Recipient and/or Purpose	Tax Status	Beginning Balance 2016	Newly Allocated 2016	Amended 2016	Amount Paid 2016	Ending Balance 2016
Regional Victim Crisis Center P O Box 122 Abilene, TX 79604 *Men of Strength & Style* $750 00 2016	501(c)(3) - Tax Exempt	$0 00	$750 00	$0.00	$750 00	$0 00
Rescue the Animals 4620 North First Street Abilene, TX 79603 *2017 Fur Ball* $500 00 2016	501(c)(3) - Tax Exempt	$0.00	$500 00	$0.00	$500 00	$0.00
Rescue the Animals 4620 North First Street Abilene, TX 79603 *2017 Operating Expenses* $20,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$20,000 00	$0 00	$20,000 00	$0 00
Restored Hope Ministries, Inc. P.O. Box 710127 Dallas, TX 75371 *Operations* $25,000.00 2016	501(c)(3) - Tax Exempt	$0.00	$25,000 00	$0.00	$25,000 00	$0.00
Salvation Army & Its Components 1726 Butternut Abilene, TX 79602 *2016-2018 Operating Funds* $75,000 00 2015	501(c)(3) - Tax Exempt	$50,000 00	$0 00	$0.00	$25,000.00	$25,000 00

Schedule of Appropriations and Payments — Fiscal Year 2016

Recipient and/or Purpose	Tax Status	Beginning Balance 2016	Newly Allocated 2016	Amended 2016	Amount Paid 2016	Ending Balance 2016
Special Olympics Texas, Inc. 500 Chestnut Street Suite 1821 Abilene, TX 79601 *2016 Sports Program* $5,000.00 2015	501(c)(3) - Tax Exempt	$5,000 00	$0.00	$0.00	$5,000.00	$0.00
Special Olympics Texas, Inc. 500 Chestnut Street Suite 1821 Abilene, TX 79601 *2017 Sports Program* $5,000 00 2016	501(c)(3) - Tax Exempt	$0 00	$5,000 00	$0 00	$0.00	$5,000 00
St. Vincent Pallotti Parish c/o 2525 Westview Drive Abilene, TX 79603 *2017 Cinco de Mayo* $500 00 2016	501(c)(3) - Church	$0.00	$500.00	$0.00	$500.00	$0.00
Taylor County Child Welfare Board 3610 Vine Street Abilene, TX 79602 *Miracle on Vine Street* $1,000 00 2016	170 - Government agency	$0 00	$1,000 00	$0.00	$1,000 00	$0 00
Taylor County Veterans Service Office 400 Oak Street Abilene, TX 79602 *Thanksgiving Meal* $1,000.00 2016	170 - Government agency	$0.00	$1,000 00	$0 00	$1,000.00	$0 00

Schedule of Appropriations and Payments — Fiscal Year 2016

Recipient and/or Purpose	Tax Status	Beginning Balance 2016	Newly Allocated 2016	Amended 2016	Amount Paid 2016	Ending Balance 2016
Texas Association of Museums 101 Summit Ave Ste 802 Fort Worth, TX 76102 *2017 Texas Association of Museums Conference* $5,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$5,000 00	$0.00	$5,000 00	$0 00
Texas Ramp Project Box 832065 Richardson, TX 75083 *Operations* $10,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$10,000 00	$0.00	$10,000 00	$0 00
Texas Tech Foundation, Inc. 1718 Pine Street Abilene, TX 79601 *Laura W Bush Institute for Women's Health* $2,500.00 2016	501(c)(3) - Tax Exempt	$0 00	$2,500 00	$0.00	$2,500 00	$0 00
TSTC Foundation 3801 Campus Drive Waco, TX 76705 *Operations* $200,000.00 2015	501(c)(3) - Tax Exempt	$200,000 00	$0 00	$0 00	$20,000 00	$180,000 00
United Methodist Abilene Area Board of Missions P.O. Box 863 Abilene, TX 79604-0863 *Pay Off Service Center* $10,000 00 2016	501(c)(3) - Tax Exempt	$0 00	$10,000 00	$0.00	$10,000 00	$0 00

Schedule of Appropriations and Payments — Fiscal Year 2016

Recipient and/or Purpose	Tax Status	Beginning Balance 2016	Newly Allocated 2016	Amended 2016	Amount Paid 2016	Ending Balance 2016
United Way of Abilene P O Box 82 Abilene, TX 79604 *2017 Campaign* $12,500 00 2015	501(c)(3) - Tax Exempt	$12,500 00	$0.00	$0.00	$12,500 00	$0.00
United Way of Abilene P O Box 82 Abilene, TX 79604 *Veterans Week 2016* $1,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$1,000 00	$0.00	$1,000 00	$0 00
United Way of Abilene P O Box 82 Abilene, TX 79604 *2018 Campaign* $12,500 00 2016	501(c)(3) - Tax Exempt	$0 00	$12,500 00	$0 00	$0 00	$12,500 00
West Texas Rehabilitation Center 4601 Hartford Abilene, TX 79605 *Jay Holland Memorial* $100 00 2016	501(c)(3) - Tax Exempt	$0 00	$100 00	$0 00	$100.00	$0 00
Young Men's Christian Association P O Box 3137 Abilene, TX 79604 *Mini Bus* $15,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$15,000 00	$0 00	$15,000 00	$0.00

Schedule of Appropriations and Payments — Fiscal Year 2016

Recipient and/or Purpose	Tax Status	Beginning Balance 2016	Newly Allocated 2016	Amended 2016	Amount Paid 2016	Ending Balance 2016
Young Men's Christian Association P O Box 3137 Abilene, TX 79604 *Remodel and Expansion of Redbud* $50,000.00 2016	501(c)(3) - Tax Exempt	$0 00	$50,000 00	$0 00	$0 00	$50,000 00
Grand Totals (86 items)		$577,500 00	$1,203,658 00	$0 00	$974,343 00	$806,815 00

SHELTON FAMILY FOUNDATION
CY GRANTS WITH SCHEDULED BALANCES @ JUNE 30, 2017

Grantee Organization	Tax Status	Request Project	Grant Amount	Balance @ 6/30/2017
The Abilene Education Fund	501(c)(3) - Tax Exempt	*2017-2020 COOL Program*	$327,000 00	$247,000 00
Abilene Philharmonic Guild, Inc.	501(c)(3) - Tax Exempt	*2018 Ball*	$5,000 00	$5,000 00
Abilene Youth Sports Authority, Inc.	501(c)(3) - Tax Exempt	*Sports Center*	$50,000 00	$50,000 00
Abilene Boys Ranch	501(c)(3) - Tax Exempt	*Vision of Hope*	$50,000 00	$50,000 00
Boys and Girls Club of Abilene, Inc.	501(c)(3) - Tax Exempt	*Clyde Club*	$25,000 00	$25,000 00
Celebrate Forever Families	501(c)(3) - Tax Exempt	*Operations*	$73,000 00	$42,315 00
Center for Contemporary Arts	501(c)(3) - Tax Exempt	*2017-2019 ArtReach Program*	$7,500 00	$5,000 00
Connecting Caring Communities	501(c)(3) - Tax Exempt	*N2N Network*	$30,000 00	$30,000 00
Abilene Goodwill Industries Inc.	501(c)(3) - Tax Exempt	*Career Center*	$15,000 00	$5,000 00
Special Olympics Texas, Inc.	501(c)(3) - Tax Exempt	*2017 Sports Program*	$5,000 00	$5,000 00
United Way of Abilene	501(c)(3) - Tax Exempt	*2018 Campaign*	$12,500 00	$12,500 00
Young Men's Christian Association	501(c)(3) - Tax Exempt	*Remodel and Expansion of Redbud*	$50,000 00	$50,000 00
			$650,000 00	$526,815 00

BLOCKAGE DISCOUNT MEMO

990-PF, PART X, LINE 1(E)

FOR THE YEAR ENDED: JUNE 30, 2017

AS OF DECEMBER 31, 2016, THE FOUNDATION OWNED 3,062,465 SHARES OF HARTE-HANKS, INC., WHICH REPRESENTS 4.88% OF THE OUTSTANDING COMMON SHARES OF THE COMPANY. NO SHARES WERE SOLD OR PURCHASED DURING THE YEAR.

THE APPRAISAL FIRM OF PHALON GEORGE CAPITAL ADVISORS APPRAISED THE VALUE OF THE SHARES IN 2011 TO DETERMINE THE PROPER DISCOUNT TO BE APPLIED. THEIR APPRAISAL CONCLUDED THAT A 12% BLOCKAGE DISCOUNT SHOULD BE USED. THERE HAVE BEEN NO SIGNIFICANT CHANGES SINCE THE DISCOUNT WAS CALCULATED, INCLUDING NO CHANGE IN OWNERSHIP.

UNDER THE INTERNAL REVENUE CODE SECTION 4942, THE MAXIMUM BLOCKAGE DISCOUNT AVAILABLE FOR TAX PURPOSES IS 10%. THEREFORE, A 10% DISCOUNT WAS USED IN DETERMINING THE FAIR MARKET VALUE OF THE HARTE-HANKS, INC., STOCK. THE AVERAGE BLOCKAGE DISCOUNT AMOUNTED TO $446,609.