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Form 990-PF

Return of Private Foundation

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

Department of the Treasury
Internal Revenue Service

▶ Do not enter social security numbers on this form as it may be made public
▶ Go to www.irs.gov/Form990PF for instructions and the latest information.

OMB No 1545-0052

2017

Open to Public Inspection

For calendar year 2017 or tax year beginning , and ending

Name of foundation
William J & Bonnie L Hefner Foundation Inc.

A Employer identification number
30-0914351

Number and street (or P O box number if mail is not delivered to street address)
10822 Birkdale Ct

Room/suite

B Telephone number (see instructions)
260-493-4493

City or town, state or province, country, and ZIP or foreign postal code
Fort Wayne IN 46814

C If exemption application is pending check here ▶ ☐

G Check all that apply ☐ Initial return ☐ Initial return of a former public charity
☐ Final return ☐ Amended return
☐ Address change ☒ Name change

D 1 Foreign organizations check here ▶ ☐
2 Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

H Check type of organization ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ $ 19,406,442

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

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

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	31,279	31,279	31,279	
	4	Dividends and interest from securities	302,843	302,843	302,843	
	5a	Gross rents	447,636	447,636	447,636	
	b	Net rental income or (loss) 346,291				
	6a	Net gain or (loss) from sale of assets not on line 10 Stmt 1	87,973			
	b	Gross sales price for all assets on line 6a 1,741,293				
	7	Capital gain net income (from Part IV, line 2)		20,391		
	8	Net short-term capital gain			0	
	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)				
	12	**Total.** Add lines 1 through 11	869,731	802,149	781,758	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	60,000	6,000		54,000
	14	Other employee salaries and wages	12,000			12,000
	15	Pension plans, employee benefits	5,508			5,508
	16a	Legal fees (attach schedule) See Stmt 2	1,772			1,772
	b	Accounting fees (attach schedule)				
	c	Other professional fees (attach schedule) Stmt 3	54,190	54,190		
	17	Interest				
	18	Taxes (attach schedule) (see instructions) Stmt 4	6,915	6,915		
	19	Depreciation (attach schedule) and depletion Stmt 5	98,254	98,254	98,254	
	20	Occupancy	2,759	2,759	2,759	
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (att sch) Stmt 6	332	332	332	
	24	**Total operating and administrative expenses.** Add lines 13 through 23	241,730	168,450	101,345	73,280
	25	Contributions, gifts, grants paid	896,800			896,800
	26	**Total expenses and disbursements.** Add lines 24 and 25	1,138,530	168,450	101,345	970,080
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	-268,799			
	b	**Net investment income** (if negative, enter -0-)		633,699		
	c	**Adjusted net income** (if negative, enter -0-)			680,413	

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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	End of year (c) Fair Market Value
Assets	1	Cash – non-interest-bearing			
	2	Savings and temporary cash investments	410,011	671,613	671,613
	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 (att schedule) ▶ See Wrk 300,000 Less allowance for doubtful accounts ▶ 0	563,992	300,000	300,000
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges		6,000	
	10a	Investments – U S and state government obligations (attach schedule)			
	b	Investments – corporate stock (attach schedule) See Stmt 7	10,580,584	10,729,703	14,627,579
	c	Investments – corporate bonds (attach schedule)			
	11	Investments – land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶			
	12	Investments – mortgage loans			
	13	Investments – other (attach schedule)			
	14	Land, buildings, and equipment basis ▶ 3,840,000 Less accumulated depreciation (attach sch) ▶ Stmt 8 291,954	3,706,300	3,548,046	3,807,250
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by all filers – see the instructions Also, see page 1, item I)	15,260,887	15,255,362	19,406,442
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	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)	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	15,260,887	15,255,362	
	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)	15,260,887	15,255,362	
	31	**Total liabilities and net assets/fund balances** (see instructions)	15,260,887	15,255,362	

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	15,260,887
2	Enter amount from Part I, line 27a	2	-268,799
3	Other increases not included in line 2 (itemize) ▶ See Statement 9	3	263,274
4	Add lines 1, 2, and 3	4	15,255,362
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	15,255,362

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (for example, 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)
1a	Emerald Lake Lot	P	01/01/15	11/01/17
b	JP Morgan			
c	JP Morgan			
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	60,000		60,000	
b	112			112
c	20,279			20,279
d				
e				

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

	(i) FMV 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				
b				112
c				20,279
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	20,391
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))
2016	910,496	14,868,575	0.061236
2015	845,102	14,602,625	0.057873
2014	163,118	2,639,134	0.061807
2013	128,627	2,322,202	0.055390
2012	135,917	2,393,550	0.056785

2	**Total** of line 1, column (d)	2	0.293091
3	Average distribution ratio for the 5-year base period – divide the total on line 2 by 5 0, or by the number of years the foundation has been in existence if less than 5 years	3	0.058618
4	Enter the net value of noncharitable-use assets for 2017 from Part X, line 5	4	14,036,250
5	Multiply line 4 by line 3	5	822,777
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	6,337
7	Add lines 5 and 6	7	829,114
8	Enter qualifying distributions from Part XII, line 4	8	970,080

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)

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 ▶ [X] and enter 1% of Part I, line 27b			1	6,337
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	6,337
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	6,337
6	Credits/Payments				
a	2017 estimated tax payments and 2016 overpayment credited to 2017	6a	6,000		
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	6,000
8	Enter any **penalty** for underpayment of estimated tax Check here [X] if Form 2220 is attached			8	74
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	411
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	
11	Enter the amount of line 10 to be: **Credited to 2018 estimated tax** ▶ 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?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes? See the 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 ▶ $ ______ **(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	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
4a	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? N/A	4b		
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	
8a	Enter the states to which the foundation reports or with which it is registered See instructions ▶ **None**			
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 2017 or the taxable year beginning in 2017? 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	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 ▶ Aimee Myers Telephone no ▶ 260-436-9245
3015 Emerald Lake Dr
Located at ▶ Fort Wayne IN ZIP+4 ▶ 46804

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

			Yes	No
16	At any time during calendar year 2017, 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
1a	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	N/A		1b		
	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 2017?	N/A		1c		
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 2017, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2017?	☐ 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)	N/A		2b		
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					
3a	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 2017 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 2017)	N/A		3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?			4a		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 2017?			4b		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	N/A	5b	
	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? If "Yes" to 6b, file Form 8870		6b	X
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, and 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
Thomas J Grant 10822 Birkdale Court	Fort Wayne IN 46814	Co-Trustee 0.00	0	0	0
Robert Doelling 10822 Birkdale Court	Fort Wayne IN 46814	Co-Trustee 0.00	0	0	0
Aimee Myers 10822 Birkdale Court	Fort Wayne IN 46814	Executive Di 0.00	60,000	0	0
Orrin Sessions 10822 Birkdale Ct	Fort Wayne IN 46814	Co-Trustee 0.00	0	0	0

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

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

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

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 ▶	

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	10,500,000
b	Average of monthly cash balances		1b	350,000
c	Fair market value of all other assets (see instructions)		1c	3,400,000
d	**Total** (add lines 1a, b, and c)		1d	14,250,000
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e 0		
2	Acquisition indebtedness applicable to line 1 assets		2	0
3	Subtract line 2 from line 1d		3	14,250,000
4	Cash deemed held for charitable activities Enter 1½% of line 3 (for greater amount, see instructions)		4	213,750
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4		5	14,036,250
6	**Minimum investment return.** Enter 5% of line 5		6	701,813

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	701,813
2a	Tax on investment income for 2017 from Part VI, line 5	2a 6,337		
b	Income tax for 2017 (This does not include the tax from Part VI)	2b		
c	Add lines 2a and 2b		2c	6,337
3	Distributable amount before adjustments Subtract line 2c from line 1		3	695,476
4	Recoveries of amounts treated as qualifying distributions		4	
5	Add lines 3 and 4		5	695,476
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	695,476

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	970,080
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	970,080
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	6,337
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	963,743

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 2016	(c) 2016	(d) 2017
1 Distributable amount for 2017 from Part XI, line 7					695,476
2 Undistributed income, if any, as of the end of 2017					
a Enter amount for 2016 only					
b Total for prior years 20 ____ , 20 ____ , 20 ____					
3 Excess distributions carryover, if any, to 2017					
a From 2012	16,905				
b From 2013	13,463				
c From 2014	32,641				
d From 2015	124,767				
e From 2016	178,709				
f **Total** of lines 3a through e		366,485			
4 Qualifying distributions for 2017 from Part XII, line 4 ▶ $ 970,080					
a Applied to 2016, but not more than line 2a					
b Applied to undistributed income of prior years (Election required – see instructions)					
c Treated as distributions out of corpus (Election required – see instructions)					
d Applied to 2017 distributable amount					695,476
e Remaining amount distributed out of corpus		274,604			
5 Excess distributions carryover applied to 2017 (If an amount appears in column (d), the same amount must be shown in column (a))					
6 **Enter the net total of each column as indicated below:**					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		641,089			
b Prior years' undistributed income Subtract line 4b from line 2b					
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed					
d Subtract line 6c from line 6b Taxable amount – see instructions					
e Undistributed income for 2016 Subtract line 4a from line 2a Taxable amount – see instructions					
f Undistributed income for 2017 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2018					0
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)					
8 Excess distributions carryover from 2012 not applied on line 5 or line 7 (see instructions)		16,905			
9 **Excess distributions carryover to 2018.** Subtract lines 7 and 8 from line 6a		624,184			
10 Analysis of line 9					
a Excess from 2013	13,463				
b Excess from 2014	32,641				
c Excess from 2015	124,767				
d Excess from 2016	178,709				
e Excess from 2017	274,604				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2017, 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 (a) 2017	Prior 3 years (b) 2016	(c) 2015	(d) 2014	(e) Total
2a 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))

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 , to individuals or organizations under other conditions, complete items 2a, b, c, and d See instructions

a The name, address, and telephone number or email address of the person to whom applications should be addressed

N/A

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

N/A

c Any submission deadlines

N/A

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

N/A

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 Statement 10				896,800
Total			▶ 3a	896,800
b *Approved for future payment* N/A				
Total			▶ 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income (See instructions)
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					31,279
4 Dividends and interest from securities					302,843
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property			16	346,291	
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					87,973
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)		0		346,291	422,095
13 Total. Add line 12, columns (b), (d), and (e)				13	768,386

(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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) (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	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		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			

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) (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

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

Signature of officer or trustee — Date 6/5/18 — Title Co-Trustee

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed
Thomas J. Grant	Thomas J. Grant	6/5/18	
Firm's name ▶ LCPA Group LTD		PTIN	P01262167
Firm's address ▶ 1900 Inwood Dr		Firm's EIN ▶	27-3498867
Fort Wayne, IN 46815-7111		Phone no	260-493-4493

DAA

Form **990-PF**

Other Notes and Loans Receivable

For calendar year 2017, or tax year beginning , and ending

2017

Name	Employer Identification Number
William J & Bonnie L Hefner Foundation Inc.	30-0914351

Form 990-PF, Part II, Line 7 - Additional Information

	Name of borrower	Relationship to disqualified person
(1)	BDCOB Note	
(2)	ABZ Trust	
(3)	Other	
(4)	Misc	
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

	Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

	Security provided by borrower	Purpose of loan
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

	Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year	Fair market value
(1)		540,000	300,000	300,000
(2)				
(3)		23,743		
(4)		249		
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				
Totals		563,992	300,000	300,000

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets

Whom Sold	Date Acquired	Date Sold	How Received	Sale Price	Cost	Expense	Depreciation	Net Gain / Loss
JP Morgan # 17686006	Various	Various	Purchase	$ 647,040	$ 638,716	$	$	$ 8,324
JP Morgan # 17686006	Various	Various	Purchase	624,097	606,277			17,820
JP Morgan # 17686006	Various	Various	Purchase	262,704	205,708			56,996
Monarch	Various	8/04/17	Purchase	17,461	45,506			-28,045
JP Morgan # 52490003	Various	Various	Purchase	11,000	10,260			740
JP Morgan # 52490003	Various	Various	Purchase	98,600	86,853			11,747
Total				$ 1,660,902	$ 1,593,320	$ 0	$ 0	$ 67,582

Statement 2 - Form 990-PF, Part I, Line 16a - Legal Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
BBDSB Ice Miller	$ 1,772	$	$	$ 1,772
Total	$ 1,772	$ 0	$ 0	$ 1,772

Federal Statements

Statement 3 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Monarch Foundation	$ 36,691	$ 36,691	$	$
JP Morgan	6,306	6,306		
JP Morgan	11,193	11,193		
Total	$ 54,190	$ 54,190	$ 0	$ 0

Statement 4 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Monarch	$ 414	$ 414	$	$
JP Morgan	406	406		
JP Morgan	128	128		
tax on investment income	5,967	5,967		
Total	$ 6,915	$ 6,915	$ 0	$ 0

Statement 5 - Form 990-PF, Part I, Line 19 - Depreciation

Description							
Date Acquired	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
Service Building							
1/01/15 $	593,600 $	29,807	S/L	39 $	15,220 $	15,220 $	15,220
Service Writeup Area							
1/01/15	887,750	44,577	S/L	39	22,763	22,763	22,763
Main Sales and Service Building							
1/01/15	500,850	25,150	S/L	39	12,842	12,842	12,842
Body Shop Building							
1/01/15	230,550	11,577	S/L	39	5,911	5,911	5,911
Dealership Land							
1/01/15	437,250			0			

Statement 5 - Form 990-PF, Part I, Line 19 - Depreciation (continued)

Description Date Acquired	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
Birkdale Ct Lots							
1/01/15	$ 90,000	$		0	$	$	$
Emerald Lake Lot							
1/01/15	60,000			0			
Land Improvements							
1/01/15	462,000	61,600	S/L	15	30,800	30,800	30,800
Building							
1/01/15	418,000	20,989	S/L	39	10,718	10,718	10,718
land							
1/01/15	220,000			0			
Total	$ 3,900,000	$ 193,700			$ 98,254	$ 98,254	$ 98,254

Statement 6 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	$	$	$	$
Birkdale Properties				
misc	332	332	332	
Total	$ 332	$ 332	$ 332	$ 0

Federal Statements

Statement 7 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
chase	$	$	Cost	$
Monarch	5,310,160	5,655,177	Cost	8,292,254
	12,264		Cost	
Monarch Mr H			Cost	
JP Morgan 90003	5,258,160	3,137,256	Cost	3,607,673
JP Morgan 26008		1,937,270	Cost	2,727,652
Total	$ 10,580,584	$ 10,729,703		$ 14,627,579

Statement 8 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
	$ 2,899,050	$ 3,092,750	$ 291,954	$ 3,000,000
	807,250	747,250		807,250
Total	$ 3,706,300	$ 3,840,000	$ 291,954	$ 3,807,250

Federal Statements

Statement 9 - Form 990-PF, Part III, Line 3 - Other Increases

Description	Amount
correct error in prior yr investments	$ 263,274
Total	$ 263,274

Federal Statements

Statement 10 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year

Name / Address	Address / Relationship	Status	Purpose	Amount
American Red Cross Fort Wayne IN 46895	P. O. Box 5508		support	2,000
Auburn Library Auburn IN 46703	1701 W Wayne		support	50,000
Big Brothers Big Sisters Fort Wayne IN 46807	2439 Fairfield Ave		support	40,000
Boy Scouts of America Fort Wayne IN 46804	8315 West Jefferson		support	35,000
Boys and Girls Club Fort Wayne IN 46807	2609 Fairfield Ave		support	305,000
Christmas Bureau Fort Wayne IN 46802	1001 Main St		support	5,000
Dekalb County YMCA Auburn IN 46703	1701 W Wayne		support	100,000
Community Harvest Food Bank Fort Wayne IN 46816	999 Tillman Ave		support	20,000
First Presbyterian - Matthew 25 Fort Wayne IN 46802	300 W Wayne		support	40,000
First Presbyterian Church Fort Wayne IN 46802	300 W Wayne		support	10,000
Fort Wayne Children's Zoo Fort Wayne IN 46815	1000 Franke Park Dr		support	10,000
Fort Wayne Community Foundation Fort Wayne IN 46802	555 E Wayne		support	10,000
Fort Wayne Parks and Recreation Fort Wayne IN 46805	705 E State Blvd		support	5,000
Fort Wayne Philharmonic Fort Wayne IN 46835	4901 Fuller Dr		support	25,000
Girl Scouts of America Fort Wayne IN 46825	10008 Dupont Circle		support	41,800
Historic Fort Wayne Fort Wayne IN 46864	PO Box 12650		support	30,000
Homebound Meals Fort Wayne IN 46802	611 W Berry		support	1,000

Federal Statements

Statement 10 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)

Name / Address	Address / Relationship	Status	Purpose	Amount
House of God Fort Wayne IN 46803	1602 East Wayne		support	25,000
International Allied Missions Fort Wayne IN 46802	305 Main Street		support	5,000
Kate's Kart Fort Wayne IN 46825	10376 Leo Road		support	10,000
Little River Wetlands Project Fort Wayne IN 46818	7209 Engle Rd		support	25,000
McMillen Health Center Fort Wayne IN 46816	600 Jim Kelley Blvd		support	30,000
Stavreti Scholarship Fort Wayne IN 46898	PO Box 80263		support	1,500
The History Center Fort Wayne IN 46802	302 E Berry		support	25,000
Toys for Tots Fort Wayne IN 46804	1728 Dunbarton Ln		support	5,000
Turnstone Center Fort Wayne IN 46805	3320 N Clinton		support	3,000
Van Buren Cemetary Asso Van Buren IN 46991	1001 Main St		support	2,500
Visiting Nurse and Hospice Fort Wayne IN 46814	5910 Homestead Rd		support	5,000
World Baseball Academy Fort Wayne IN 46802	1701 Freeman St		support	30,000
Total				896,800