

For calendar year 2017, or tax year beginning 01-01-2017, and ending 12-31-2017

Name of foundation HAMER D & PHYLLIS C SHAFER FOUNDATION CHARITABLE TRUST		A Employer identification number 35-1997098	
Number and street (or P O box number if mail is not delivered to street address) PO BOX 548		Room/suite	B Telephone number (see instructions) (765) 284-7721
City or town, state or province, country, and ZIP or foreign postal code MUNCIE, IN 473080548		C If exemption application is pending, check here ☐	
G Check all that apply ☐ Initial return ☐ Final return ☐ Address change ☐ Initial return of a former public charity ☐ Amended return ☐ 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) \$ 10,144,051	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				
	4 Dividends and interest from securities	189,231	189,231		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	477,822			
	b Gross sales price for all assets on line 6a 7,507,105				
	7 Capital gain net income (from Part IV, line 2)		492,054		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
Operating and Administrative Expenses	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	667,053	681,285		
	13 Compensation of officers, directors, trustees, etc	0	0		0
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)	605	303		302
	b Accounting fees (attach schedule)	5,465	4,919		546
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	13,962	991		0
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	27,125	26,528		598
	24 Total operating and administrative expenses. Add lines 13 through 23	47,157	32,741		1,446
	25 Contributions, gifts, grants paid	435,850			435,850
	26 Total expenses and disbursements. Add lines 24 and 25	483,007	32,741		437,296
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	184,046			
	b Net investment income (if negative, enter -0-)		648,544		
c Adjusted net income(if negative, enter -0-)					

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing	26,210	16,555	16,555
	2 Savings and temporary cash investments	228,610	276,784	276,784
	3 Accounts receivable ▶ _____ Less allowance for doubtful accounts ▶ _____			
	4 Pledges receivable ▶ _____ Less allowance for doubtful accounts ▶ _____			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach schedule) ▶ _____ Less allowance for doubtful accounts ▶ _____			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U S and state government obligations (attach schedule)	276,751	251,698	253,011
	b Investments—corporate stock (attach schedule)	2,426,086	2,582,351	3,906,056
	c Investments—corporate bonds (attach schedule)	2,275,048	2,431,169	2,440,409
	11 Investments—land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)	3,168,068	3,033,485	3,237,921
	14 Land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
15 Other assets (describe ▶ _____)	13,611	13,643	13,315	
16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	8,414,384	8,605,685	10,144,051	
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 ▶ _____)	1,516	8,771	
	23 Total liabilities (add lines 17 through 22)	1,516	8,771	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	0	0	
	28 Paid-in or capital surplus, or land, bldg , and equipment fund	0	0	
	29 Retained earnings, accumulated income, endowment, or other funds	8,412,868	8,596,914	
	30 Total net assets or fund balances (see instructions)	8,412,868	8,596,914	
31 Total liabilities and net assets/fund balances (see instructions) .	8,414,384	8,605,685		

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	8,412,868
2 Enter amount from Part I, line 27a	2	184,046
3 Other increases not included in line 2 (itemize) ▶ _____	3	0
4 Add lines 1, 2, and 3	4	8,596,914
5 Decreases not included in line 2 (itemize) ▶ _____	5	0
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 .	6	8,596,914

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1 a PUBLICLY TRADED SECURITIES	P		
b CAPITAL GAINS DIVIDENDS	P		
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 7,465,320		7,015,051	450,269
b 41,785			41,785
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			450,269
b			41,785
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 }	2 492,054
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	{ 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 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	457,480	8,917,530	0 051301
2015	415,726	9,110,554	0 045631
2014	391,436	8,362,569	0 046808
2013	335,709	4,638,269	0 072378
2012	336,827	1,326,840	0 253857
2 Total of line 1, column (d)			0 469975
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			0 093995
4 Enter the net value of noncharitable-use assets for 2017 from Part X, line 5			9,695,274
5 Multiply line 4 by line 3			911,307
6 Enter 1% of net investment income (1% of Part I, line 27b)			6,485
7 Add lines 5 and 6			917,792
8 Enter qualifying distributions from Part XII, line 4			437,296

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 ☐ and enter 1% of Part I, line 27b	1	12,971
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	12,971
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	12,971
6	Credits/Payments		
a	2017 estimated tax payments and 2016 overpayment credited to 2017	6a	4,200
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	0
7	Total credits and payments. Add lines 6a through 6d.	7	4,200
8	Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	0
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed ▶	9	8,771
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	No
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for definition)? <i>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</i>	1b	No
c Did the foundation file Form 1120-POL for this year?	1c	No
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? <i>If "Yes," attach a detailed description of the activities</i>	2	No
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? <i>If "Yes," attach a conformed copy of the changes</i>	3	No
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	No
b If "Yes," has it filed a tax return on Form 990-T for this year?	4b	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>	5	No
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	Yes
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	7	Yes
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ IN _____		
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? <i>If "No," attach explanation</i> .	8b	Yes
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)? <i>If "Yes," complete Part XIV</i>	9	No
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	10	No

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions).	11		No
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		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address WWW.SHAFERFOUNDATION.COM	13	Yes	
14	The books are in care of TERRY L WALKER PRES TRUSTEE Telephone no (765) 808-0800			

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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			
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? See instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If "Yes," enter the name of the foreign country ▶	16	Yes	No

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.

1a	During the year did the foundation (either directly or indirectly)		Yes	No
	(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)? ☐ Organizations relying on a current notice regarding disaster assistance check here. ☐	1b		
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? ☐	1c		No
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). ☐	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). ☐	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
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		No

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)? ☐ Yes ☒ No Organizations relying on a current notice regarding disaster assistance check here. ☐	5b		
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No <i>If "Yes," attach the statement required by Regulations section 53.4945–5(d)</i>			
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No <i>If "Yes" to 6b, file Form 8870</i>	6b		No
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No	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	Title, and average hours per week (b) devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	Expense account, (e) other allowances
See Additional Data Table				

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	Title, and average hours per week (b) devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	Expense account, (e) other allowances
NONE				

Total number of other employees paid over \$50,000. **0****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	
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	
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	9,320,254
b	Average of monthly cash balances.	1b	509,349
c	Fair market value of all other assets (see instructions).	1c	13,315
d	Total (add lines 1a, b, and c).	1d	9,842,918
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	9,842,918
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	147,644
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4.	5	9,695,274
6	Minimum investment return. Enter 5% of line 5.	6	484,764

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	484,764
2a	Tax on investment income for 2017 from Part VI, line 5.	2a	12,971
b	Income tax for 2017 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	12,971
3	Distributable amount before adjustments. Subtract line 2c from line 1.	3	471,793
4	Recoveries of amounts treated as qualifying distributions.	4	0
5	Add lines 3 and 4.	5	471,793
6	Deduction from distributable amount (see instructions).	6	0
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1.	7	471,793

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	437,296
b	Program-related investments—total from Part IX-B.	1b	0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes.	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required).	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	437,296
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	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	437,296

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				471,793
2 Undistributed income, if any, as of the end of 2017				
a Enter amount for 2016 only.			0	
b Total for prior years 20____, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2017				
a From 2012. 273,056				
b From 2013. 115,165				
c From 2014.				
d From 2015.				
e From 2016. 15,800				
f Total of lines 3a through e.	404,021			
4 Qualifying distributions for 2017 from Part XII, line 4 ▶ \$ 437,296				
a Applied to 2016, but not more than line 2a			0	
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 2017 distributable amount.				437,296
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2017 (If an amount appears in column (d), the same amount must be shown in column (a))	34,497			34,497
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	369,524			
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 2016 Subtract line 4a from line 2a Taxable amount—see instructions			0	
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).	0			
8 Excess distributions carryover from 2012 not applied on line 5 or line 7 (see instructions).	238,559			
9 Excess distributions carryover to 2018. Subtract lines 7 and 8 from line 6a	130,965			
10 Analysis of line 9				
a Excess from 2013. 115,165				
b Excess from 2014.				
c Excess from 2015.				
d Excess from 2016. 15,800				
e Excess from 2017.				

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 organization is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)					
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	Tax year	Prior 3 years			(e) Total
	(a) 2017	(b) 2016	(c) 2015	(d) 2014	
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 organization 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))	
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	
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 LIZ LUDWICK PO BOX 548 MUNCIE, IN 473080548 (765) 284-7847 LLUDWICK@MUNCIEPOWER.COM	
b The form in which applications should be submitted and information and materials they should include APPLICATION AVAILABLE ON WEBSITE (WWW.SHAFERFOUNDATION.COM)	
c Any submission deadlines DECEMBER 1, MARCH 1, JUNE 1, SEPTEMBER 1	
d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors LIMITED TO ORGANIZATIONS PRIMARILY IN DELAWARE COUNTY, INDIANA & TRAVERSE CITY, MICHIGAN, SUPPORT CHARITABLE FIELDS OF ARTS, CULTURE, EDUCATION, ENVIRONMENT, HEALTH, HUMAN SERVICES, COMMUNITY AFFAIRS	

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i> See Additional Data Table				
Total			3a	435,850
b <i>Approved for future payment</i>				
Total			3b	0

Enter gross amounts unless otherwise indicated

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

Form **990-PF** (2017)

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

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

b If "Yes," complete the following schedule

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

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		
	*****	2018-05-10	*****
	Signature of officer or trustee	Date	Title

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

Paid Preparer Use Only	Print/Type preparer's name	Preparer's Signature	Date	Check if self-employed ☐	PTIN
	TIMOTHY J BUSH CPA		2018-05-10		P00585817
	Firm's name ▶ WHITINGER & COMPANY LLC				Firm's EIN ▶ 35-0905017
Firm's address ▶ 1100 W WHITE RIVER BLVD MUNCIE, IN 473033776					Phone no (765) 284-3384

Form 990PF Part VIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation

(a) Name and address	Title, and average hours per week (b) devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	Expense account, (e) other allowances
TERRY L WALKER 201 EAST JACKSON STREET MUNCIE, IN 47305	TRUSTEE, CHAIRMAN AND PRES 1 50	0	0	0
CHRISTOPHER D FANCHER 201 EAST JACKSON STREET MUNCIE, IN 47305				
KENNETH R BRINER 201 EAST JACKSON STREET MUNCIE, IN 47305	TRUSTEE, SECRETARY 0 50	0	0	0
RAY L CHAMBERS 201 EAST JACKSON STREET MUNCIE, IN 47305				
JON H MOLL 201 EAST JACKSON STREET MUNCIE, IN 47305	TRUSTEE 0 50	0	0	0

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
AMERICA'S HOMETOWN BAND 2112 BERWYN RD MUNCIE, IN 47304	N/A	PC	ANNUAL SUPPORT	3,250
ARC OF INDIANA FOUNDATION 107 N PENNSYLVANIA ST SUITE 800 INDIANAPOLIS, IN 46204	N/A	SO I	PROGRAM SUPPORT	25,000
BALL STATE UNIVERSITY FOUNDATION 2800 W BETHEL AVE MUNCIE, IN 47304	N/A	PC	SHAFER SCHOLARSHIP PLEDGE	100,000
CANCER CENTER OF ECI-LITTLE RED DOOR 2311 W JACKSON ST MUNCIE, IN 47303	N/A	PC	COMMUNITY HOPE BENEFIT EVENT	1,000
COMMUNITY FOUNDATION OF MUNCIE & DELAWARE COUNTY INC 201 E JACKSON ST MUNCIE, IN 47305	N/A	PC	GIFT MATCHING PROGRAM	10,000
Total ► 3a				435,850

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
CORNERSTONE CENTER FOR THE ARTS 520 E MAIN ST MUNCIE, IN 47305	N/A	PC	PROGRAM SUPPORT	20,000
HABITAT FOR HUMANITY 1923 S HOYT AVE MUNCIE, IN 47302	N/A	PC	ANNUAL SUPPORT	25,000
HILLCROFT SERVICES 114 EAST STREETER AVE MUNCIE, IN 47303	N/A	PC	BUILDING PROJECT	25,000
INTERLOCHEN CENTER FOR THE ARTS PO BOX 199 INTERLOCHEN, MI 49643	N/A	PC	ARCHIVE DIGITALIZATION PROJECT	30,000
MASTERWORKS CHORALE 520 E MAIN ST MUNCIE, IN 47305	N/A	PC	VALENTINE CONCERT	3,500
Total ▶ 3a				435,850

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
MUNCIE BOYS AND GIRLS CLUB 1710 S MADISON ST MUNCIE, IN 47303	N/A	PC	ELEMENTARY PROGRAM	10,000
MUNCIE CHILDREN'S MUSEUM 515 S HIGH ST MUNCIE, IN 47305	N/A	PC	AMAZING ELF ADVENTURE, FIRE SAFETY FAMILY DAY, NEW YEAR'S, AND FREE SATURDAYS	15,000
MUNCIE SYMPHONY ORCHESTRA 2000 UNIVERSITY AVE MUNCIE, IN 47306	N/A	PC	MUSIC ON THE MOVE AND FESTIVAL ON THE GREEN	14,000
MUNCIE-DELAWARE CLEAN & BEAUTIFUL 201 E JACKSON ST MUNCIE, IN 47305	N/A	PC	ANNUAL SUPPORT	3,000
PROJECT LEADERSHIP 316 W HOWARD ST MUNCIE, IN 47305	N/A	PC	ANNUAL SUPPORT	7,500
Total 				435,850
3a				

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
SECOND HARVEST FOOD BANK 6621 N OLD STATE ROAD 3 MUNCIE, IN 47303	N/A	PC	HUNGER RELIEF AND POVERTY ALLEVIATION	15,000
SHAHER LEADERSHIP ACADEMY 1208 W WHITE RIVER BLVD MUNCIE, IN 47303	N/A	PC	ANNUAL SUPPORT, BRADNING/STRATEGIC MARKETING, EMERGENCE CAMPAIGN MATCH	60,500
YMCA OF MUNCIE500 S MULBERRY ST MUNCIE, ID 47305	N/A	PC	EMERGENCY & TRANSITIONAL SHELTER PROGRAM	7,500
YOUTH OPPORTUNITY CENTER 3700 W KILGORE AVE MUNCIE, IN 47304	N/A	PC	NEXT CHAPTER CAMPAIGN	60,600
Total ▶ 3a				435,850

TY 2017 Accounting Fees Schedule

Name: HAMER D & PHYLLIS C SHAFER FOUNDATION
CHARITABLE TRUST

EIN: 35-1997098

Accounting Fees Schedule

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES	5,465	4,919		546

TY 2017 Investments Corporate Bonds Schedule

Name: HAMER D & PHYLLIS C SHAFER FOUNDATION
CHARITABLE TRUST

EIN: 35-1997098

Investments Corporate Bonds Schedule

Name of Bond	End of Year Book Value	End of Year Fair Market Value
ALLSTATE 3.280%	103,263	101,508
AMERICAN HONDA FINANCE 1.700%	99,825	97,398
APPLE 2.400%	49,822	49,485
BAKER HUGHES 3.200%	32,764	32,684
BB&T CORP 2.050%	75,209	75,039
BECTON DICKINSON & CO 3.125%	51,662	50,422
BECTON DICKINSON & CO 3.250%	100,291	101,435
BERKSHIRE HATHAWAY 4.250%	76,524	79,312
BERKSHIRE HATHWAY 1.550%	73,195	74,962
BERKSHIRE HATHAWAY 3.125%	100,666	101,131
CHURCH & DWIGHT	74,501	73,893
COCA-COLA 3.200%	104,162	103,837
HEWLETT PACKARD 3.750%	30,483	30,958
JM SMUCKER 2.500%	25,260	25,062
NORTHERN TRUST 2.375%	68,725	74,944
NOVARTIS CAPITAL 3.400%	106,648	103,997
MEDTRONIC INC 3.125%	50,155	51,101
OCCIDENTAL PETROLEUM 1.500%	72,833	74,953
ORACLE CORP 3.625%	100,819	104,994
O'REILLY AUTOMOTIVE INC	75,660	75,276

Investments Corporate Bonds Schedule

Name of Bond	End of Year Book Value	End of Year Fair Market Value
PARKER HANNIFIN 3.500%	76,598	77,490
PEPSICO INC 3.125%	76,422	76,958
PEPSICO INC 3.500%	76,959	77,971
PRAXAIR INC 2.650%	102,670	98,940
RAYTHEON CO SR NOTES 3.150%	127,511	127,802
SHELL INTL FINANCE CORP 4.300%	24,906	25,897
STRYKER 3.375%	144,100	143,342
SYSCO CORP 5.250%	25,199	25,088
TARGET CORP 2.300%	100,987	100,480
UNITED PARCEL SERVICE 3.125%	30,876	30,739
UNITED TECHNOLOGIES 3.100%	101,470	101,857
US BANCORP 2.950%	50,662	50,675
WAL-MART 3.300%	20,342	20,779

TY 2017 Investments Corporate Stock Schedule

Name: HAMER D & PHYLLIS C SHAFER FOUNDATION
CHARITABLE TRUST
EIN: 35-1997098

Name of Stock	End of Year Book Value	End of Year Fair Market Value
3M COMPANY	25,570	51,311
ABBOTT LABS	44,707	57,527
ACCENTURE	38,115	66,594
ALLIANT CORP	28,950	44,314
AMERIPRISE FINANCIAL	34,415	63,382
AMPHENOL CORPORATION	37,872	63,128
AUTOMATIC DATA PROCESSING	36,076	65,861
BALL CORP	127,070	151,400
BB&T CORP	40,266	59,217
BECTON DICKINSON & CO	31,447	57,582
CARNIVAL CORP	54,378	57,078
CHECKPOINT SOFTWARE TECH ADR	43,038	54,608
CHUBB CORP	43,362	53,630
CISCO SYSTEMS	50,469	70,089
COMCAST CORP	60,025	62,798
COSTCO COMPANIES	46,424	57,697
EVEREST GROUP	41,271	50,005
FIRST MERCHANTS CORP	541,139	1,110,258
FLIR CORPORATION	50,664	68,252
GRACO INC	26,882	52,500
HARRIS CORP DEL	23,585	65,301
JACK HENRY & ASSOCIATES	25,283	67,837
HONEYWELL INTL INC	28,067	51,989
HORMEL FOODS CORP	42,767	56,368
HUNTINGTON BANCSHARES INC	41,500	58,589
JOHNSON & JOHNSON	47,348	54,211
LILLY ELI & CO	49,281	54,730
LOWE'S COMPANIES	59,489	67,846
MATERIALS SECTOR EFT SPDR	28,527	28,933
MEDTRONIC INCORPORATED ADR	51,386	54,668

Name of Stock	End of Year Book Value	End of Year Fair Market Value
NORTHERN TR CORP	36,853	59,435
ORACLE CORP	43,294	54,987
O'REILLY AUTOMOTIVE INC	45,884	64,946
PEOPLE'S UNITED FINANCIAL	50,712	57,933
PEPSICO INC	39,910	52,045
PFIZER INC	45,709	53,497
SIGNET JEWELLERS	56,738	64,410
STARBUCKS CORP	56,489	58,808
STERICYCLE	47,789	44,737
STRYKER CORP	27,753	56,207
T. ROWE PRICE GROUP	44,442	64,742
THE J.M. SMUCKER COMPANY	47,665	58,766
TRAVELERS INC	46,269	58,325
UNION PAC CORP	38,540	55,920
UNITED TECHNOLOGIES CORP	38,263	51,283
VECTREN CORP	23,845	43,303
VF CORP	47,700	67,488
WAL MART STORES INC	45,123	61,521

TY 2017 Investments Government Obligations Schedule

Name: HAMER D & PHYLLIS C SHAFER FOUNDATION
CHARITABLE TRUST

EIN: 35-1997098

**US Government Securities - End
of Year Book Value:**

251,698

**US Government Securities - End
of Year Fair Market Value:**

253,011

**State & Local Government
Securities - End of Year Book
Value:**

0

**State & Local Government
Securities - End of Year Fair
Market Value:**

0

TY 2017 Investments - Other Schedule

Name: HAMER D & PHYLLIS C SHAFER FOUNDATION

CHARITABLE TRUST

EIN: 35-1997098

Investments Other Schedule 2

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
AMERICAN EUROPACIFIC GROWTH	AT COST	143,949	165,478
FIDELITY CONTRAFUND	AT COST	52,491	53,894
MFS NEW DISCOVERY INTL	AT COST	141,458	168,325
NORTHERN MIDCAP INDEX	AT COST	463,209	470,516
RUSSELL 2000 INDEX	AT COST	188,905	200,638
RUSSELL MID CAP INDEX	AT COST	477,784	507,838
S&P SMALL CAP 600 CORE ETF ISHARES	AT COST	182,117	200,398
VANGUARD GROWTH INDEX	AT COST	53,182	56,993
VANGUARD MIDCAP INDEX	AT COST	482,786	509,174
VANGUARD INTL GROWTH	AT COST	132,056	168,718
VANGUARD REIT INDEX	AT COST	296,657	298,009
VANGUARD S/C INDEX	AT COST	190,779	202,532
TIAA FSB	AT COST	100,000	99,794
MARLIN BUSINESS BANK	AT COST	5,000	4,982
CHARLES SCHWAB 6.000% PREFERRED	AT COST	100,000	107,520
FEDERAL SH-INTERM TOTAL RETURN BOND FUS IS	AT COST	23,112	23,112

TY 2017 Legal Fees Schedule

Name: HAMER D & PHYLLIS C SHAFER FOUNDATION
CHARITABLE TRUST

EIN: 35-1997098

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LEGAL FEES	605	303		302

TY 2017 Other Assets Schedule

Name: HAMER D & PHYLLIS C SHAFER FOUNDATION
CHARITABLE TRUST

EIN: 35-1997098

Other Assets Schedule

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
PORTRAITS	8,800	8,800	9,450
PERSONAL PROPERTY	3,090	3,090	3,090
CEMETARY PLOTS	775	775	775
DIVIDENDS RECEIVABLE	259	291	
INTEREST RECEIVABLE	687	687	

TY 2017 Other Expenses Schedule

Name: HAMER D & PHYLLIS C SHAFER FOUNDATION
CHARITABLE TRUST

EIN: 35-1997098

Other Expenses Schedule

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
INVESTMENT MANAGEMENT FEES	25,105	25,106		0
STORAGE FEES	1,027	924		103
INSURANCE	893	447		446
OFFICE SUPPLIES	63	32		31
BANK FEES	37	19		18

TY 2017 Other Liabilities Schedule

Name: HAMER D & PHYLLIS C SHAFER FOUNDATION
CHARITABLE TRUST

EIN: 35-1997098

Description	Beginning of Year - Book Value	End of Year - Book Value
EXCISE TAX PAYABLE	1,516	8,771

TY 2017 Taxes Schedule

Name: HAMER D & PHYLLIS C SHAFER FOUNDATION
CHARITABLE TRUST

EIN: 35-1997098

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
EXCISE TAX	12,971	0		0
FOREIGN TAXES	991	991		0