

1809

2017

Form 990-PF

Department of the Treasury  
Internal Revenue Service

Return of Private Foundation or Section 4947(a)(1) Trust Treated as Private Foundation		10/01, 2017, and ending 9/30, 2018		
<p>► Do not enter social security numbers on this form as it may be made public. ► Go to <a href="http://www.irs.gov/Form990PF">www.irs.gov/Form990PF</a> for instructions and the latest information</p>		<p>Open to Public Inspection</p>		
<b>STEPHENS FOUNDATION</b> 400 OAK STREET GRAHAM, TX 76450				
<b>G</b> Check all that apply		<input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change	<input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change	
<b>H</b> Check type of organization		<input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		
<b>I</b> Fair market value of all assets at end of year <i>(from Part II, column (c), line 16)</i>		<b>J</b> Accounting method		
<b>I</b> <b>J</b> ► \$ 68,275.		<input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) (Part I, column (d) must be on cash basis)		
<b>Part II Analysis of Revenue and Expenses</b> (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)		<b>(a)</b> Revenue and expenses per books	<b>(b)</b> Net investment income	<b>(c)</b> Adjusted net income
<b>REVENUE</b>	1 Contributions, gifts, grants, etc., received (attach schedule)			
	2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B			
	3 Interest on savings and temporary cash investments	421.	421.	421.
	4 Dividends and interest from securities			
	5 a Gross rents			
	b Net rental income or (loss)			
	6 a Net gain or (loss) from sale of assets not on line 10			
	b Gross sales price for all assets on line 6a			
	7 Capital gain net income (from Part IV, line 2)			
	8 Net short-term capital gain			
	9 Income modifications			
	10 a 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 <b>Total.</b> Add lines 1 through 11	421.	421.	421.	
<b>ADMINISTRATIVE EXPENSES</b>	13 Compensation of officers, directors, trustees, etc.	0.		
	14 Other employee salaries and wages			
	15 Pension plans, employee benefits			
	16 a Legal fees (attach schedule)			
	b Accounting fees (attach sch) SEE ST 1	250.	250.	
	c Other professional fees (attach sch)			
	17 Interest			
	18 Taxes (attach schedule) (see instructions)			
	19 Depreciation (attach schedule) (see instructions)			
	20 Occupancy			
	21 Travel, conferences, and meetings			
	22 Printing and publications			
	23 Other expenses (attach schedule)			
<b>RECEIVED</b> FEB 23 2019 REO/SC SEE STATEMENT 2				
<b>OPERATING EXPENSES</b>	24 Total operating and administrative expenses. Add lines 13 through 23	7.		
	25 Contributions, gifts, grants paid	257.	250.	
	26 Total expenses and disbursements. Add lines 24 and 25	4,500.		
		4,757.	250.	0.
<b>PART XV</b>	27 Subtract line 26 from line 12*			
	a Excess of revenue over expenses and disbursements	-4,336.		
	b Net investment income (if negative, enter -0)		171.	
				421.

<b>Part II</b> 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
<b>ASSETS</b>	1	1	72,615.	68,275.	68,275.
	2	2			
	3	3			
	Less: allowance for doubtful accounts				
	4	4			
	Less: allowance for doubtful accounts				
	5	5			
	6	6			
	7	7			
	Less: allowance for doubtful accounts				
	8	8			
	9	9			
	10a	10a			
	b Investments – corporate stock (attach schedule)				
	c Investments – corporate bonds (attach schedule)				
	11	11			
Less: accumulated depreciation (attach schedule)					
12	12				
13	13				
14	14				
Less: accumulated depreciation (attach schedule)					
15	15				
16	16	72,615.	68,275.	68,275.	
<b>LIABILITIES</b>	17	17			
	18	18			
	19	19			
	20	20			
	21	21			
	22	22			
	23	23	0.	0.	
<b>NET ASSETS</b>	Foundations that follow SFAS 117, check here and complete lines 24 through 26, and lines 30 and 31.				
	24	24			
	25	25			
	26	26			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.				
	27	27	72,615.	68,275.	
	28	28			
	29	29			
	30	30	72,615.	68,275.	
	31	31	72,615.	68,275.	

**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	72,615.
2	Enter amount from Part I, line 27a	2	-4,336.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	68,279.
5	Decreases not included in line 2 (itemize)	5	4.
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	68,275.

**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 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (mo , day, yr )	(d) Date sold (mo , day, yr )
1 a N/A				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) ((e) plus (f) minus (g))	
a				
b				
c				
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				
c				
d				
e				
2 Capital gain net income or (net capital loss). <span style="border: 1px solid black; padding: 2px;">If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7</span>			2	
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 )

N/A

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 doesn't 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			
2015			
2014			
2013			
2012			

2 Total of line 1, column (d)	2
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
4 Enter the net value of noncharitable-use assets for 2017 from Part X, line 5	4
5 Multiply line 4 by line 3	5
6 Enter 1% of net investment income (1% of Part I, line 27b)	6
7 Add lines 5 and 6	7
8 Enter qualifying distributions from Part XII, line 4	8

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

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

1 a	Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter 'N/A' on line 1	
Date of ruling or determination letter: _____ (attach copy of letter if necessary – see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here. ► <input type="checkbox"/> and enter 1% of Part I, line 27b	1 3.
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 3.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only, others, enter -0-)	4 0.
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-	5 3.
6	<b>Credits/Payments</b>	
a	2017 estimated tax pmts and 2016 overpayment credited to 2017	6a
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 0.
8	Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9 3.
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**

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?

	Yes	No
1 a		X

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? See the instructions for the definition

	X
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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

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c Did the foundation file **Form 1120-POL** for this year?

	X
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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.

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e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ 0.

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2 Has the foundation engaged in any activities that have not previously been reported to the IRS?

If 'Yes,' attach a detailed description of the activities.

	X
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3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If 'Yes,' attach a conformed copy of the changes

	X
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4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?

	X
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b If 'Yes,' has it filed a tax return on **Form 990-T** for this year?

	X
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5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?

If 'Yes,' attach the statement required by General Instruction T

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6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either.

• By language in the governing instrument, or

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• 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?

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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

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8 a Enter the states to which the foundation reports or with which it is registered See instructions ►

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N/A

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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

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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 tax year beginning in 2017? See the instructions for Part XIV. If 'Yes,' complete Part XIV

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10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses

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

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' attach schedule. See instructions	<input type="checkbox"/> 11	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> 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	<input type="checkbox"/> 12	<input type="checkbox"/>	<input checked="" type="checkbox"/> X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	<input type="checkbox"/> 13	<input checked="" type="checkbox"/> X	<input type="checkbox"/>
Website address		► N/A		
14	The books are in care of ► DRAKE STEPHENS	Telephone no ► (940) 549-0050		
	Located at ► 401 OAK STREET GRAHAM TX	ZIP + 4 ► 76450		
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	<input type="checkbox"/> 15	<input type="checkbox"/> N/A	► <input type="checkbox"/>
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?	<input type="checkbox"/> 16	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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.

1 a	During the year, did the foundation (either directly or indirectly)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?				
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?				
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?				
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?				
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?				
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
(6) Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)				
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
b	If any answer is 'Yes' to 1a(1)–(6), did <b>any</b> 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	<input type="checkbox"/> 1b	<input type="checkbox"/> N/A	
Organizations relying on a current notice regarding disaster assistance, check here ► <input type="checkbox"/>				
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2017?	<input type="checkbox"/> 1c	<input checked="" type="checkbox"/> 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))	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
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?				
If 'Yes,' list the years ► 20 __ , 20 __ , 20 __ , 20 __				
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
b Are there any years listed in 2a for which the foundation is <b>not</b> 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)				
c If the provisions of section 4942(a)(2) are being applied to <b>any</b> of the years listed in 2a, list the years here ► 20 __ , 20 __ , 20 __ , 20 __				
3 a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> 3b	<input checked="" type="checkbox"/> N/A	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)				
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	<input type="checkbox"/> 4a	<input checked="" type="checkbox"/> X	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?				
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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))?

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?

(3) Provide a grant to an individual for travel, study, or other similar purposes?

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? See instructions

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	

b If any answer is 'Yes' to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance? See instructions

Organizations relying on a current notice regarding disaster assistance, check here 

c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

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

N/A	<input type="checkbox"/> Yes	<input type="checkbox"/> No

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

b If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A	

**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
BARBARA STEPHENS GRAHAM, TX 76450	PRESIDENT 0	0.	0.	0.
RONALD STEPHENS GRAHAM, TX 76450	VICE PRES. 0	0.	0.	0.
BRUCE STEPHENS GRAHAM, TX 76450	VICE PRES. 0	0.	0.	0.
DRAKE STEPHENS GRAHAM, TX 76450	SEC-TREA. 0	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		

## 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.

organizations and other beneficiaries served, conferences convened, research papers produced, etc.	
1	<u>N/A</u>
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.

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2		Amount
1	<u>N/A</u>	
2		

All other program-related investments. See instructions

3 \_\_\_\_\_

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**Total.** Add lines 1 through 3

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

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:	
a Average monthly fair market value of securities	1 a
b Average of monthly cash balances	1 b 68,275.
c Fair market value of all other assets (see instructions)	1 c
d <b>Total</b> (add lines 1a, b, and c)	1 d 68,275.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e 0.
2 Acquisition indebtedness applicable to line 1 assets	2 0.
3 Subtract line 2 from line 1d	3 68,275.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4 1,024.
5 <b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3 Enter here and on Part V, line 4	5 67,251.
6 <b>Minimum investment return.</b> Enter 5% of line 5	6 3,363.

**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 3,363.
2a Tax on investment income for 2017 from Part VI, line 5	2a 3.
b Income tax for 2017 (This does not include the tax from Part VI )	2b
c Add lines 2a and 2b	2 c 3.
3 Distributable amount before adjustments Subtract line 2c from line 1	3 3,360.
4 Recoveries of amounts treated as qualifying distributions	4
5 Add lines 3 and 4	5 3,360.
6 Deduction from distributable amount (see instructions)	6
7 <b>Distributable amount as adjusted</b> Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7 3,360.

**Part XII Qualifying Distributions** (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes.	
a Expenses, contributions, gifts, etc – total from Part I, column (d), line 26	1 a 4,500.
b Program-related investments – total from Part IX-B	1 b
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2
3 Amounts set aside for specific charitable projects that satisfy the	
a Suitability test (prior IRS approval required)	3 a
b Cash distribution test (attach the required schedule)	3 b
4 <b>Qualifying distributions.</b> Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4 4,500.
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 <b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6 4,500.

**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

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**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				3,360.
2 Undistributed income, if any, as of the end of 2017.			0.	
a Enter amount for 2016 only		0.		
b Total for prior years. 20 ___, 20 ___, 20 ___,				
3 Excess distributions carryover, if any, to 2017.				
a From 2012				
b From 2013				
c From 2014	2,088.			
d From 2015	3,806.			
e From 2016	4,500.			
f Total of lines 3a through e	10,394.			
4 Qualifying distributions for 2017 from Part XII, line 4 ► \$ 4,500.			0.	
a Applied to 2016, but not more than line 2a				
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				3,360.
e Remaining amount distributed out of corpus	1,140.			
5 Excess distributions carryover applied to 2017 (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:	11,534.			
a Corpus. Add lines 3f, 4c, and 4e Subtract line 5				
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(h)(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)	0.			
9 Excess distributions carryover to 2018. Subtract lines 7 and 8 from line 6a	11,534.			
10 Analysis of line 9				
a Excess from 2013				
b Excess from 2014	2,088.			
c Excess from 2015	3,806.			
d Excess from 2016	4,500.			
e Excess from 2017	1,140.			

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Form 990-PF (2017)



**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)				
<i>a Paid during the year</i>				
<b>Total</b>				► 3 a
<i>b Approved for future payment</i>				
<b>Total</b>				► 3 b
<b>BAA</b>	TEEA0501L 08/24/17			Form 990-PF (2017)

## Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

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) Exclu- sion 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	421.
4 Dividends and interest from securities					
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					
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)					421.
13 Total. Add line 12, columns (b), (d), and (e)					421.

(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) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
a Transfers from the reporting foundation to a noncharitable exempt organization of		
(1) Cash	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			

**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
N/A		

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.

**Sign  
Here**

► Washington

12/14/14

Da

Title

May the IRS discuss  
this return with the  
preparer shown below?  
See instructions.

Signature of officer or trustee		Date	Title	<input checked="" type="checkbox"/> Yes	No	
<b>Paid Preparer Use Only</b>	Print/Type preparer's name		Preparer's signature	Date	Check <input type="checkbox"/> if self employed	PTIN
	<b>J. R. MONTGOMERY</b>			<b>1/29/19</b>	<b>P01406378</b>	
	Firm's name	<b>MONTGOMERY, GUSENBARY &amp; ASSOCIATES LLP</b>			Firm's EIN	<b>75-2678653</b>
Firm's address	<b>PO BOX 2016</b>			Phone no	<b>(940) 549-6614</b>	
	<b>GRAHAM, TX 76450-8016</b>					

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**Form 990-PF (2017)**

2017

## FEDERAL STATEMENTS

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CLIENT STEP9342

STEPHENS FOUNDATION

51-0169342

1/29/19

10:45AM

**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
RETURN PREPARATION	\$ 250.	\$ 250.	\$ 0.	\$ 0.
TOTAL	<u>\$ 250.</u>	<u>\$ 250.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

**STATEMENT 2**  
**FORM 990-PF, PART I, LINE 23**  
**OTHER EXPENSES**

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EARLY WITHDRAWAL PENALTY	\$ 7.	\$ 0.	\$ 0.	\$ 0.
TOTAL	<u>\$ 7.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

**STATEMENT 3**  
**FORM 990-PF, PART III, LINE 5**  
**OTHER DECREASES**

PRIOR YEAR ROUNDING				
			\$ 4.	
			TOTAL	<u>\$ 4.</u>