

For calendar year 2018, or tax year beginning 01-01-2018, and ending 12-31-2018

Name of foundation UNDERDOWN FAMILY FOUNDATION INC		A Employer identification number 56-1827986	
Number and street (or P.O. box number if mail is not delivered to street address) 6325 S RAINBOW BLVD STE 300		Room/suite	B Telephone number (see instructions) (800) 352-3705
City or town, state or province, country, and ZIP or foreign postal code LAS VEGAS, NV 89118		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) \$ 1,311,873	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	32,274	31,790		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	45,432			
	b Gross sales price for all assets on line 6a <u>423,789</u>				
	7 Capital gain net income (from Part IV, line 2)		45,432		
	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)	329			
	12 Total. Add lines 1 through 11	78,035	77,222		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc				
	14 Other employee salaries and wages		0	0	0
	15 Pension plans, employee benefits		0	0	
	16a Legal fees (attach schedule)				0
	b Accounting fees (attach schedule)	1,000	0	0	1,000
	c Other professional fees (attach schedule)	12,943	12,943		0
	17 Interest				0
	18 Taxes (attach schedule) (see instructions)	2,239	739		0
	19 Depreciation (attach schedule) and depletion	0	0		
	20 Occupancy				
	21 Travel, conferences, and meetings		0	0	
	22 Printing and publications		0	0	
	23 Other expenses (attach schedule)	1,458			1,458
	24 Total operating and administrative expenses. Add lines 13 through 23	17,640	13,682	0	2,458
	25 Contributions, gifts, grants paid	56,500			56,500
	26 Total expenses and disbursements. Add lines 24 and 25	74,140	13,682	0	58,958
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	3,895			
	b Net investment income (if negative, enter -0-)		63,540		
c Adjusted net income (if negative, enter -0-)				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 (a) Book Value	End of year (b) Book Value (c) Fair Market Value		
Assets	1	Cash—non-interest-bearing	450	10	10
	2	Savings and temporary cash investments	72,652	77,922	77,922
	3	Accounts receivable ▶ _____ Less allowance for doubtful accounts ▶ _____		0	0
	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 ▶ _____ 0			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)	879,950	873,466	975,708
	c	Investments—corporate bonds (attach schedule)	262,024	268,903	258,233
	11	Investments—land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)			0
	14	Land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
15	Other assets (describe ▶ _____)				
16	Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	1,215,076	1,220,301	1,311,873	
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	
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	1,215,076	1,220,301	
	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)	1,215,076	1,220,301		
31	Total liabilities and net assets/fund balances (see instructions) .	1,215,076	1,220,301		

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	1,215,076
2	Enter amount from Part I, line 27a	2	3,895
3	Other increases not included in line 2 (itemize) ▶ _____	3	2,610
4	Add lines 1, 2, and 3	4	1,221,581
5	Decreases not included in line 2 (itemize) ▶ _____	5	1,280
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 .	6	1,220,301

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)
1a See Additional Data Table			
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 See Additional Data Table			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a See Additional Data Table			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 	2	45,432
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 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))
2017	44,835	1,214,790	0 036908
2016	49,696	876,995	0 056666
2015	44,175	955,283	0 046243
2014	42,908	986,950	0 043475
2013	47,470	957,718	0 049566

2 Total of line 1, column (d)	2	0 232858
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 046572
4 Enter the net value of noncharitable-use assets for 2018 from Part X, line 5	4	1,421,784
5 Multiply line 4 by line 3	5	66,215
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	635
7 Add lines 5 and 6	7	66,850
8 Enter qualifying distributions from Part XII, line 4	8	58,958

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	1,271
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	1,271
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	1,271
6	Credits/Payments		
a	2018 estimated tax payments and 2017 overpayment credited to 2018	6a	848
b	Exempt foreign organizations—tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	0
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d.	7	848
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	423
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 2019 estimated tax ▶ 0 Refunded ▶	11	0

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). 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	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? If "Yes," attach a detailed description of the activities	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? If "Yes," attach a conformed copy of the changes	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? If "Yes," attach the statement required by General Instruction T	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? If "Yes," complete Part II, col (c), and Part XV	7	Yes
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ NC		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation .	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 2018 or the taxable year beginning in 2018? See the instructions for Part XIV. If "Yes," complete Part XIV	9	No
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	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 ► _____	13	Yes	
14	The books are in care of ► <u>WELLS FARGO BANK NA</u> Telephone no ► <u>(800) 352-3705</u>			

Located at ► 100 NORTH MAIN STREET 6TH FLOOR D40 WINSTONSALEM NC ZIP+4 ► 27150

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 2018, 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	Yes	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.

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.	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 2018?	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 2018, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2018? ☐ 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 2018 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 2018).	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 2018?	4b		No

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)

		Yes	No
5a	During the year did the foundation pay or incur any amount to		
(1)	Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes	☒ No
(2)	Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	☐ Yes	☒ No
(3)	Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes	☒ No
(4)	Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? See instructions.	☐ Yes	☒ No
(5)	Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes	☒ No
b	If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance? See instructions.	5b	
	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)	☐ Yes	☐ No
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	
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?	7b	
8	Is the foundation subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment during the year?	☐ Yes	☒ No

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation. See instructions				
(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
PARKS UNDERDOWN III PO Box 279 HICKORY, NC 28603	PRESIDENT 1	0		
SUSAN U GECK PO Box 279 HICKORY, NC 28603	SECRETARY 1	0		
DAVID UNDERDOWN PO Box 279 HICKORY, NC 28603	VICE PRESIDENT 1	0		
STEVE UNDERDOWN PO Box 279 HICKORY, NC 28603	TREASURER 1	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. ►		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 ►	

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	1,393,446
b	Average of monthly cash balances.	1b	49,990
c	Fair market value of all other assets (see instructions).	1c	0
d	Total (add lines 1a, b, and c).	1d	1,443,436
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	1,443,436
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	21,652
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4.	5	1,421,784
6	Minimum investment return. Enter 5% of line 5.	6	71,089

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	71,089
2a	Tax on investment income for 2018 from Part VI, line 5.	2a	1,271
b	Income tax for 2018 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	1,271
3	Distributable amount before adjustments. Subtract line 2c from line 1.	3	69,818
4	Recoveries of amounts treated as qualifying distributions.	4	0
5	Add lines 3 and 4.	5	69,818
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	69,818

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	58,958
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	0
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required).	3a	0
b	Cash distribution test (attach the required schedule).	3b	0
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4.	4	58,958
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	58,958

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 2017	(c) 2017	(d) 2018
1 Distributable amount for 2018 from Part XI, line 7				69,818
2 Undistributed income, if any, as of the end of 2018				
a Enter amount for 2017 only.			56,211	
b Total for prior years 20____, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2018				
a From 2013.	0			
b From 2014.	0			
c From 2015.	0			
d From 2016.	0			
e From 2017.	0			
f Total of lines 3a through e.	0			
4 Qualifying distributions for 2018 from Part XII, line 4 ▶ \$ 58,958				
a Applied to 2017, but not more than line 2a			56,211	
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 2018 distributable amount.				2,747
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2018 (If an amount appears in column (d), the same amount must be shown in column (a))	0			0
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0			
b Prior years' undistributed income Subtract line 4b from line 2b		0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.		0		
d Subtract line 6c from line 6b Taxable amount—see instructions		0		
e Undistributed income for 2017 Subtract line 4a from line 2a Taxable amount—see instructions			0	
f Undistributed income for 2018 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2019				67,071
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 2013 not applied on line 5 or line 7 (see instructions).	0			
9 Excess distributions carryover to 2019. Subtract lines 7 and 8 from line 6a	0			
10 Analysis of line 9				
a Excess from 2014.	0			
b Excess from 2015.	0			
c Excess from 2016.	0			
d Excess from 2017.	0			
e Excess from 2018.	0			

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 2018, 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) 2018	(b) 2017	(c) 2016	(d) 2015	
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					

Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see instructions.)

Part XV	
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. to individuals or organizations under other conditions, complete items 2a, b, c, and d. See instructions.	
a The name, address, and telephone number or e-mail address of the person to whom applications should be addressed Wells Fargo Bank 100 North Main Street 6th Floor D40 WinstonSalem, NC 27101 (800) 352-3705	
b The form in which applications should be submitted and information and materials they should include www.wellsfargo.com/private-foundations/underdown-fam	
c Any submission deadlines Applications are accepted year-round. Applications must be submitted by April 30th to be reviewed at	
d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors Must qualify as 501(c)(3) and applications must be submitted through the online grant application form. Grants preference may be given to education, faith-based work, & health and health services	

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	
b <i>Approved for future payment</i>				
Total			▶ 3b	

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) Exclusion code	(d) Amount	
1 Program service revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
f _____					
g Fees and contracts from government agencies					
2 Membership dues and assessments. . . .					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities. . . .			14	32,274	
5 Net rental income or (loss) from real estate					
a Debt-financed property.					
b Not debt-financed property.					
6 Net rental income or (loss) from personal property					
7 Other investment income.					
8 Gain or (loss) from sales of assets other than inventory			18	45,432	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a <u>INVESCO DB COMMODI</u>			14	329	
b _____					
c _____					
d _____					
e _____					
12 Subtotal Add columns (b), (d), and (e). .				78,035	

13 Total.	Add line 12, columns (b), (d), and (e).	13	<u>78,035</u>
(See worksheet in line 13 instructions to verify calculations)			

[illegible]

Part XVII

	Yes	No
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1a(1)	No
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1a(2)		No
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1b(1)	No
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1b(2)	No
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1b(3)		No
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1b(4)		No
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1b(5)		No
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1b(6)		No
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1c		No
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value
ue

[illegible]

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

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 *****
2019-04-16 *****
May the IRS discuss this return

Signature of officer or trustee _____ Date _____ Title _____

(see instr)? ☒ Yes ☐ No

Paid Preparer Use Only	Print/Type preparer's name	Preparer's Signature	Date	Check if self-employed ☐	PTIN
	DAVID APPLE VP		2019-04-16		P00555848
	Firm's name ► WELLS FARGO BANK NA				Firm's EIN ► 94-3080771
	Firm's address ► 1525 W WT HARRIS BLVD D1114-044 Charlotte, NC 28262				Phone no (800) 691-8916

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

List and describe the kind(s) of property sold (e g , real estate, (a) 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	832 328 AQR MANAGED FUTURES STR-I #15213		2016-08-26	2018-02-16
1	1637 714 AQR MANAGED FUTURES STR-I #15213		2017-04-21	2018-08-09
	1182 013 ARTISAN MID CAP FUND-INS #1333		2017-01-19	2018-06-13
	415 455 DIAMOND HILL LONG/SHORT-I #11		2014-11-20	2018-02-16
	587 803 DODGE & COX INCOME FD COM #147		2016-05-11	2018-02-16
	149 031 DODGE & COX INCOME FD COM #147		2012-06-05	2018-06-13
	30 966 EATON VANCE GLOBAL MACRO - I #0088		2017-04-21	2018-02-16
	1449 299 EATON VANCE GLOBAL MACRO - I #0088		2017-01-19	2018-02-16
	1323 184 JP MORGAN MID CAP VALUE-I #758		2017-01-19	2018-06-13
	563 829 HARBOR INTERNATION FD INST #2011		2015-06-15	2018-02-16

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
7,649		8,469	-820
14,396		16,388	-1,992
54,680		47,119	7,561
11,047		10,000	1,047
8,000		8,025	-25
2,000		2,034	-34
282		282	
13,203		13,108	95
53,880		31,055	22,825
38,820		39,355	-535

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

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	
			-820
			-1,992
			7,561
			1,047
			-25
			-34
			95
			22,825
			-535

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d			
(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)
125 276 HARBOR INTERNATIONAL FD INST #2011		2017-06-29	2018-02-16
1 67 051 HARBOR CAPITAL APRCTION-INST #2012		2016-01-22	2018-02-16
126 072 HARBOR CAPITAL APRCTION-INST #2012		2016-01-22	2018-06-21
4812 063 JPMORGAN HIGH YIELD-I #3580		2016-04-22	2018-12-13
767 754 MET WEST TOTAL RETURN BOND CL I #512		2016-10-05	2018-02-16
825 598 ASG MANAGED FUTURES STRAT-Y #2608		2018-02-16	2018-08-09
630 713 ASG MANAGED FUTURES STRAT-Y #2608		2016-03-03	2018-08-09
158 407 OPPENHEIMER DEVELOPING MKT-I #799		2016-12-16	2018-06-13
46 948 OPPENHEIMER DEVELOPING MKT-I #799		2011-08-12	2018-06-21
430 108 T ROWE PRICE SHORT TERM BD FD #55		2013-07-12	2018-06-13

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
8,625		8,500	125
5,000		3,904	1,096
10,000		6,075	3,925
33,684		36,106	-2,422
8,000		8,424	-424
8,107		8,553	-446
6,194		6,900	-706
7,000		5,018	1,982
2,000		1,487	513
2,000		2,052	-52

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

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	
			125
			1,096
			3,925
			-2,422
			-424
			-446
			-706
			1,982
			513
			-52

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

List and describe the kind(s) of property sold (e g , real estate, (a) 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)
117 SPDR GOLD TRUST			2018-02-16	2018-05-22
1	200 SPDR DJ WILSHIRE INTERNATIONAL REAL		2017-01-19	2018-02-16
	107 SPDR DJ WILSHIRE INTERNATIONAL REAL		2017-01-19	2018-12-13
	1142 VANGUARD FTSE DEVELOPED ETF		2018-02-16	2018-12-13
	80 VANGUARD REAL ESTATE ETF		2012-11-19	2018-02-16
	75 VANGUARD REAL ESTATE ETF		2011-09-28	2018-12-13
	2805 839 WESTERN ASSET INTERM BOND FND-I #224		2014-09-29	2018-05-22
CAPITAL GAIN DIVIDENDS		P		

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
14,328		15,053	-725
8,004		7,759	245
3,962		3,886	76
44,320		52,064	-7,744
6,027		4,140	1,887
5,962		3,648	2,314
29,854		31,005	-1,151
			18,765

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

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	
			-725
			245
			76
			-7,744
			1,887
			2,314
			-1,151

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 Paid during the year				
RISING HOPE FARMS INC 3775 BETHANY CHURCH RD CLAREMONT, NC 28610	NONE	PC	GENERAL PURPOSE	5,000
GREATER HICKORY COOPERATIVE CHRISTIAN MINISTRY31 1ST AVE SE HICKORY, NC 286023003	NONE	PC	GENERAL PURPOSE	5,000
EXODUS OUTREACH FOUNDATION 122 8TH AVE DR SW HICKORY, NC 286023351	NONE	PC	GENERAL PURPOSE	20,000
Total ▶ 3a				56,500

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>				
SAFE HARBOR RESCUE MISSION 210 2ND ST SE HICKORY, NC 28602	NONE	PC	GENERAL PURPOSE	5,000
ADULT LIFE PROGRAMS 226 2ND STREET NW HICKORY, NC 286014973	NONE	PC	GENERAL PURPOSE	6,000
HABITAT FOR HUMANITY OF CATAWBA COUNTY 772 4TH ST SW HICKORY, NC 28602	NONE	PC	GENERAL PURPOSE	10,000
Total ► 3a				56,500

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>				
WOMEN'S RESOURCE CENTER INC PO BOX 1608 HICKORY, NC 28603	NONE	PC	GENERAL PURPOSE	3,000
CATAWBA COUNTY PARTNERSHIP FOR CHILDREN PO BOX 3123 HICKORY, NC 28603	NONE	PC	GENERAL PURPOSE	2,500
Total ► 3a				56,500

TY 2018 Accounting Fees Schedule**Name:** UNDERDOWN FAMILY FOUNDATION INC**EIN:** 56-1827986

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
TAX PREPARATION FEE (NON-ALLOC	1,000			1,000

TY 2018 Investments Corporate Bonds Schedule**Name:** UNDERDOWN FAMILY FOUNDATION INC**EIN:** 56-1827986**Investments Corporate Bonds Schedule**

Name of Bond	End of Year Book Value	End of Year Fair Market Value
256210105 DODGE & COX INCOME F	37,961	37,559
77957P105 T ROWE PRICE SHORT T	53,549	52,883
277911491 EATON VANCE FLOATING	54,327	52,160
315920702 FID ADV EMER MKTS IN		
957663701 WESTERN ASSET INTERM		
4812C0803 JPMORGAN HIGH YIELD-		
592905509 MET WEST TOTAL RETUR		
262028855 DRIEHAUS ACTIVE INCO	15,000	13,980
31641Q763 FIDELITY NEW MRKTS I	76,579	71,134
592905764 METROPOLITAN WEST T/	31,487	30,517

TY 2018 Investments Corporate Stock Schedule

Name: UNDERDOWN FAMILY FOUNDATION INC
EIN: 56-1827986

Investments Corporation Stock Schedule

Name of Stock	End of Year Book Value	End of Year Fair Market Value
25264S833 DIAMOND HILL LONG-SH		
256206103 DODGE & COX INT'L ST	40,296	46,864
339128100 JP MORGAN MID CAP VA		
411511504 HARBOR CAPITAL APRCT	45,697	79,659
464287200 ISHARES CORE S & P 5	82,104	114,483
552983694 MFS VALUE FUND-CLASS		
78463X863 SPDR DJ WILSHIRE INT	30,196	30,180
922042858 VANGUARD FTSE EMERGI	38,970	35,852
922908553 VANGUARD REAL ESTATE	19,204	31,096
04314H600 ARTISAN MID CAP FUND		
63872T885 ASG GLOBAL ALTERNATI	31,270	28,814
00203H859 AQR MANAGED FUTURES		
464287499 ISHARES RUSSELL MID-	135,662	128,471
464287655 ISHARES RUSSELL 2000	53,697	57,845
683974604 OPPENHEIMER DEVELOPI	39,667	48,568
74925K581 BOSTON P LNG/SHRT RE	55,848	55,707
003021714 ABERDEEN EMERG MARKE	38,500	35,143
04314H402 ARTISAN INTERNATIONALA	38,045	46,045
411511306 HARBOR INTERNATIONAL F		
63872T729 ASG MANAGED FUTURES		
09258N505 BLACKROCK GL L/S CRE		
277923728 EATON VANCE GLOBAL M		
64128R608 NEUBERGER BERMAN LON	22,399	21,236
779919307 T ROWE PR REAL ESTAT	24,079	21,293
09260C703 BLACKROCK GL L/S CRE	15,701	14,709
46138B103 INVESCO DB COMMODITY	26,999	25,256
46432F842 ISHARES CORE MSCI EA	52,098	49,720
55273H353 MFS VALUE FUND-R6 #4	67,827	92,629
90267B682 ETRACS ALERIAN MLP U	15,207	12,138

TY 2018 Other Decreases Schedule**Name:** UNDERDOWN FAMILY FOUNDATION INC**EIN:** 56-1827986

Description	Amount
MUTUAL FUND POSTING DATE AFTER TYE	1,274
ROUNDING	6

TY 2018 Other Expenses Schedule**Name:** UNDERDOWN FAMILY FOUNDATION INC**EIN:** 56-1827986**Other Expenses Schedule**

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
WF GRANT ADMIN FEE	1,458	0		1,458

TY 2018 Other Income Schedule

Name: UNDERDOWN FAMILY FOUNDATION INC

EIN: 56-1827986

Other Income Schedule

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
INVESCO DB COMMODITY INDEX DB	329	0	

TY 2018 Other Increases Schedule**Name:** UNDERDOWN FAMILY FOUNDATION INC**EIN:** 56-1827986

Description	Amount
MUTUAL FUND TAX EFFECTIVE DATE BEFORE TYE	790
COST BASIS ADJUSTMENT	1,820

TY 2018 Other Professional Fees Schedule**Name:** UNDERDOWN FAMILY FOUNDATION INC**EIN:** 56-1827986

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
WF INVESTMENT FEES	12,943	12,943		

TY 2018 Taxes Schedule**Name:** UNDERDOWN FAMILY FOUNDATION INC**EIN:** 56-1827986

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FEDERAL TAX PAYMENT - PRIOR YE	652	0		0
FEDERAL ESTIMATES - PRINCIPAL	848	0		0
FOREIGN TAXES ON QUALIFIED FOR	579	579		0
FOREIGN TAXES ON NONQUALIFIED	160	160		0