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Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

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

OMB No 1545-0052

2018

Open to Public Inspection

For calendar year 2018 or tax year beginning , and ending

Name of foundation
The Steele Foundation, Inc

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
PO Box 80010

City or town, state or province, country, and ZIP or foreign postal code
Phoenix AZ 85060-0010

Foreign country name | Foreign province/state/county | Foreign postal code

A Employer identification number
95-3466880

B Telephone number (see instructions)
(602) 850-9804

C If exemption application is pending, check here ▶ ☐ 6

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

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

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

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

H Check type of organization ☒ Section 501(c)(3) exempt private foundation 04
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ $ 73,162,663

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

3a

		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	2,419	2,419		
	4	Dividends and interest from securities	967,909	967,909		
	5a	Gross rents	97,408	97,408		
	b	Net rental income or (loss) 96,905				
	6a	Net gain or (loss) from sale of assets not on line 10	2,142,086			
	b	Gross sales price for all assets on line 6a Statement 11				
	7	Capital gain net income (from Part IV, line 2)		2,142,086		
	8	Net short-term capital gain				
	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) Statement 1	-487,847	-487,847		
	12	**Total.** Add lines 1 through 11	2,721,975	2,721,975	0	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc Stmt 12	299,097	29,908		269,189
	14	Other employee salaries and wages	113,403			113,403
	15	Pension plans, employee benefits	51,318			51,318
	16a	Legal fees (attach schedule) Statement 2	13,604	7,574		6,030
	b	Accounting fees (attach schedule) Statement 3	61,008	61,008		
	c	Other professional fees (attach schedule) Statement 4	185,263	171,758		13,505
	17	Interest				
	18	Taxes (attach schedule) (see instructions) Statement 5	226,929	26,200		154,113
	19	Depreciation (attach schedule) and depletion Statement 6	54,496	54,496		
	20	Occupancy	24,155			24,155
	21	Travel, conferences, and meetings	2,793			2,794
	22	Printing and publications				
	23	Other expenses (attach schedule) Statement 7	124,077	62,917		61,160
	24	**Total operating and administrative expenses.** Add lines 13 through 23	1,156,143	413,861	0	695,667
	25	Contributions, gifts, grants paid	2,565,674			2,565,674
	26	**Total expenses and disbursements.** Add lines 24 and 25	3,721,817	413,861	0	3,261,341
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	-999,842			
	b	**Net investment income** (if negative, enter -0-)		2,308,114		
	c	**Adjusted net income** (if negative, enter -0-)			0	

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		Part II **Balance Sheets** Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing	282	243	243
	2	Savings and temporary cash investments	3,127,511	539,468	539,468
	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)			
	b	Investments—corporate stock (attach schedule) Statement 8	624,737	449,355	3,304,337
	c	Investments—corporate bonds (attach schedule)			
	11	Investments—land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach schedule) ▶ Statement 9	6,800,286	7,798,858	7,570,945
	12	Investments—mortgage loans	4,012,109	3,477,096	2,075,721
	13	Investments—other (attach schedule) Statement 10	54,730,874	55,699,377	59,561,213
	14	Land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach schedule) ▶	24,069	110,586	110,586
	15	Other assets (describe ▶ Security Deposit)	150	150	150
	16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	69,320,018	68,075,133	73,162,663
Liabilities	17	Accounts payable and accrued expenses	3,090	2,195	
	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)	3,090	2,195	
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			
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	69,316,928	68,072,938	
	30	**Total net assets or fund balances** (see instructions)	69,316,928	68,072,938	
	31	**Total liabilities and net assets/fund balances** (see instructions)	69,320,018	68,075,133	

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	69,316,928
2	Enter amount from Part I, line 27a	2	-999,842
3	Other increases not included in line 2 (itemize) ▶ Unrealized gain	3	604,361
4	Add lines 1, 2, and 3	4	68,921,447
5	Decreases not included in line 2 (itemize) ▶ Office Building Charitable Use- See Statement 9 & 6	5	848,509
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	68,072,938

Part IV Capital Gains and Losses for Tax on Investment Income

	a) List and describe the kind(s) of property sold (for example, real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a				
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) 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	(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) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	1,239,982
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) See instructions If (loss), enter -0- in Part I, line 8	3	0

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No
If "Yes," the foundation 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))
2017	3,055,782	75,948,768	0.040235
2016	2,645,629	69,933,852	0.037830
2015	5,689,699	72,513,412	0 078464
2014	3,753,594	75,491,157	0 049722
2013	3,629,901	72,818,058	0.049849

2	**Total** of line 1, column (d)	2	0 256100
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 051220
4	Enter the net value of noncharitable-use assets for 2018 from Part X, line 5	4	79,439,619
5	Multiply line 4 by line 3	5	4,068,897
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	23,081
7	Add lines 5 and 6	7	4,091,978
8	Enter qualifying distributions from Part XII, line 4	8	4,109,850

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

3

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	23,081
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	23,081
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only, others, enter -0-)			4	
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-			5	23,081
6	Credits/Payments				
a	2018 estimated tax payments and 2017 overpayment credited to 2018	6a	80,000		
b	Exempt foreign organizations—tax withheld at source	6b			
c	Tax paid with application for extension of time to file (Form 8868)	6c			
d	Backup withholding erroneously withheld	6d			
7	Total credits and payments Add lines 6a through 6d			7	80,000
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached			8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	0
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	56,919
11	Enter the amount of line 10 to be **Credited to 2019 estimated tax** ▶ 56,919 **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		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes? See the instructions for the definition	1b		X
	If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ ______________ **(2)** On foundation managers ▶ $ ______________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ______________			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? Stmt 15 If "Yes," attach a detailed description of the activities	2	X	
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes Stmt 16	3	X	
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a	X	
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b	X	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by *General Instruction T*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	7	X	
8a	Enter the states to which the foundation reports or with which it is registered See instructions ▶ Arizona			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G*? If "No," attach explanation	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2018 or the tax year beginning in 2018? See the instructions for Part XIV If "Yes," complete Part XIV	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

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

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule See instructions	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement See instructions	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ steeleaz org

14 The books are in care of ▶ THE STEELE FOUNDATION, INC Telephone no ▶ 602-850-9803

Located at ▶ PO Box 80010, Phoenix, AZ ZIP+4 ▶ 85060-0010

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041**—check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ 15

			Yes	No
16	At any time during calendar year 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		X
	See the instructions for exceptions and filing requirements for FinCEN Form 114 If "Yes," enter the name of the foreign country ▶			

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

	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year, did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☒ Yes ☐ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☒ Yes ☐ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance? See instructions	1b		X
	Organizations relying on a current notice regarding disaster assistance, check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2018?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 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	N/A	
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ 20_____ , 20_____ , 20_____ , 20_____			
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) N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2018?	4b		X

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**	X
	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?	☒ Yes ☐ No		
	If "Yes," attach the statement required by Regulations section 53 4945–5(d)			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If "Yes" to 6b, file Form 8870		**6b**	
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** N/A	
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(s) 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, 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
SEE STATEMENT 12				

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 ▶

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
CAMBRIDGE ASSOCIATES 125 HIGH STREET, BOSTON, MA 02110	INVESTMENT ADVISORY SERVICE	150,000
GAIL D FLINN, CPA 4900 N 44TH STREET, UNIT 4002, PHOENIX, AZ 85016	ACCOUNTING SERVICES	60,000
Total number of others receiving over $50,000 for professional services ▶		

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 SEE STATEMENT 17	
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	43,366,359
b	Average of monthly cash balances			1b	1,704,512
c	Fair market value of all other assets (see instructions)			1c	35,578,488
d	**Total** (add lines 1a, b, and c)			1d	80,649,359
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e			
2	Acquisition indebtedness applicable to line 1 assets			2	
3	Subtract line 2 from line 1d			3	80,649,359
4	Cash deemed held for charitable activities Enter 1½ % of line 3 (for greater amount, see instructions)			4	1,209,740
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4			5	79,439,619
6	**Minimum investment return.** Enter 5% of line 5			6	3,971,981

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	3,971,981
2a	Tax on investment income for 2018 from Part VI, line 5	2a	23,081		
b	Income tax for 2018 (This does not include the tax from Part VI)	2b	7,586		
c	Add lines 2a and 2b			2c	30,667
3	Distributable amount before adjustments Subtract line 2c from line 1			3	3,941,314
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	3,941,314
6	Deduction from distributable amount (see instructions)			6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	3,941,314

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	3,261,341
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	848,509
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	4,109,850
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	23,081
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	4,086,769

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					3,941,314
2	Undistributed income, if any, as of the end of 2018					
a	Enter amount for 2017 only				0	
b	Total for prior years 20____, 20____, 20____					
3	Excess distributions carryover, if any, to 2018					
a	From 2013					
b	From 2014					
c	From 2014	813,415				
d	From 2016					
e	From 2017					
f	**Total** of lines 3a through e		813,415			
4	Qualifying distributions for 2018 from Part XII, line 4 ▶ $ 4,109,850					
a	Applied to 2017, but not more than line 2a					
b	Applied to undistributed income of prior years (Election required—see instructions)					
c	Treated as distributions out of corpus (Election required—see instructions)					
d	Applied to 2018 distributable amount					3,946,864
e	Remaining amount distributed out of corpus		161,383			
5	Excess distributions carryover applied to 2018 (If an amount appears in column (d), the same amount must be shown in column (a)) .					
6	**Enter the net total of each column as indicated below:**					
a	Corpus. Add lines 3f, 4c, and 4e Subtract line 5		974,798			
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					
d	Subtract line 6c from line 6b Taxable amount—see instructions					
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					0
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required—see instructions)					
8	Excess distributions carryover from 2013 not applied on line 5 or line 7 (see instructions)		5,550			
9	**Excess distributions carryover to 2019.** Subtract lines 7 and 8 from line 6a		969,248			
10	Analysis of line 9					
a	Excess from 2014					
b	Excess from 2014	813,415				
c	Excess from 2016					
d	Excess from 2017					
c	Excess from 2018	161,383				

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

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 foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2018	(b) 2017	(c) 2016	(d) 2015	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					0
b 85% of line 2a					0
c Qualifying distributions from Part XII, line 4 for each year listed . .					0
d Amounts included in line 2c not used directly for active conduct of exempt activities .					0
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					0
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter					
(1) Value of all assets					0
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					0
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					0
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)					0
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) .					0
(3) Largest amount of support from an exempt organization					0
(4) Gross investment income					0

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

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000) (See section 507(d)(2))

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 email address of the person to whom applications should be addressed

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

c Any submission deadlines

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

Part XV Supplementary Information *(continued)*

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
Statement 13				
Total			▶ **3a**	0
b *Approved for future payment*				
Statement 14				
Total			▶ **3b**	0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	2,419	
4 Dividends and interest from securities .			14	967,909	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property			16	97,408	
6 Net rental income or (loss) from personal property					
7 Other investment income .	523000	37,122	14	-487,847	
8 Gain or (loss) from sales of assets other than inventory			18	2,104,964	
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)		37,122		2,684,853	0

13 **Total.** Add line 12, columns (b), (d), and (e) . 13 2,721,975

(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)

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule. Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received.

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

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

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer or trustee

Date 11/13/19

Title PRESIDENT

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
MICHAEL J PAYNE		11/15/19		P01442310

Firm's name ▶ PAYNE FINANCIAL PLC

Firm's EIN ▶ 82-3709663

Firm's address ▶ 2812 N NORWALK #103 MESA, AZ 85215

Phone no. 602-699-4829

STATEMENT 1

THE STEELE FOUNDATION, INC. **95-3466880**

FORM 990PF-2018, PART I, LINE 11 - OTHER INCOME

Description	Revenue and Expenses per books	Net Investment Income	Adjusted Net Income
Mortgage Interest	$ 101,297	$ 101,297	$ -
Equity in the income of LLC	(589,144)	(589,144)	-
	$ (487,847)	$ (487,847)	$ -

STATEMENT 2

THE STEELE FOUNDATION, INC. **95-3466880**

FORM 990PF-2018, PART I, LINE 16a - LEGAL FEES

Description	Revenue and Expenses per books	Net Investment Income	Disbursements for charitable purposes
Burch & Cracchiolo, P A	$ 6,834	$ 6,834	$ -
Onsager, Werner, Oberg, P L C	6,030	-	6,030
Jones, Emery, Hardgreaves LLP	740	740	
	$ 13,604	$ 7,574	$ 6,030

STATEMENT 3

THE STEELE FOUNDATION, INC. **95-3466880**

FORM 990PF-2018, PART I, LINE 16b - ACCOUNTING FEES

Description	Revenue and Expenses per books	Net Investment Income	Disbursements for charitable purposes
Joseph Anselmo, CPA	$ 1,008	$ 1,008	$ -
Gail Flinn, CPA	60,000	60,000	$0
	$ 61,008	$ 61,008	$0

STATEMENT 4

THE STEELE FOUNDATION, INC. **95-3466880**

FORM 990PF-2018 PART I, LINE 16c - OTHER PROFESSIONAL FEES

Description	Revenue and Expenses per books	Net Investment Income	Disbursements for charitable purposes
Cambridge Associates - Investment Mgmt Fees	$ 150,000	$ 150,000	$ -
Wellington - Investment Mgmt Fees	9,161	9,161	-
Blackbaud - Grants database software	13,505	-	13,505
Burch & Cracchiolo	2,588	2,588	
HAPI - Graphic design	4,801	4,801	-
Other Contract Labor	5,208	5,208	-
	$ 185,263	$ 171,758	$ 13,505

STATEMENT 5

THE STEELE FOUNDATION, INC. **95-3466880**

FORM 990PF-2018, PART I, LINE 18 - TAXES

Description	Revenue and Expenses per books	Net Investment Income	Disbursements for charitable purposes
Federal Income/Excise Taxes	$ 46,617	$ -	$ -
Property Taxes	34,262	25,697	8,566
Sales & Use Tax	503	503	-
Payroll Taxes	145,547	0	145,547
	$ 226,929	$ 26,200	$ 154,113

THE STEELE FOUNDATION, INC
FORM 990PF - 2018, PART 1, LINE 19 - DEPRECIATION

STATEMENT 6
95-3466880

						Depreciable Basis					Accumulated Depreciation				
Asset Description	Vendor	Date	Method	Life	Conv	12/31/2017	Additions	Disposals	Allocation to Exempt Purpose	12/31/2018	12/31/2017	Additions	Disposals	12/31/2018	Net Book Value
									25%						
Office Building															
Land	Purchase	5/31/2017	MSL	N/A	N/A	443 700 00	-	-	110 574 00	333 126 00	-			-	333 126 00
Land improvements	ABCO	9/30/2018	MSL	15	HY	101 884 00	30 848 00	-	33 182 50	99 547 50	-	3 318 25		3 318 25	96 229 25
Land improvements	Desert Classic/Evolve	9/30/2018	MSL	15	HY	-	56 334 84	-	14 083 71	42 251 13	-	1 408 37		1 408 37	40 842 76
						101 884 00	87 180 84	-	47 266 21	141 798 63	-	4 726 62	-	4 726 62	137 072 01
Building	Purchase	5/31/2017	MSL	39	HY	960 701 00	-	-	240 175 25	720 525 75	-	7 981 58		7 981 58	712 544 17
Building improvements	ABCO	9/30/2018	MSL	39	HY	-	1 528 455 29	-	382,113 82	1,146 341 47	-	22 175 44		22 175 44	1 124 166 03
Building improvements	Hayes Architecture	9/30/2018	MSL	39	HY	-	109 803 57	-	27,450 89	82 352 68	-	2 745 09		2 745 09	79 607 59
Building improvements	Wiseman Gale Interiors	9/30/2018	MSL	39	HY	-	125 029 34	-	31 257 34	93 772 01	-	3 125 73		3 125 73	90 646 27
Building improvements	Various Other	9/30/2018	MSL	39	HY	-	38 685 09	-	9 671 27	29 013 82	-	967 13		967 13	28 046 69
						960 701 00	1 801 973 29	-	690 668 57	2 072 005 72		41 721 59	-	41,721 59	2,035 010 75
	Total Office Building - Including Land and Land Improvements					1 506 285 00	1 889 154 13	Total Exempt	848 508 78	2,548,930.35				41,721 59	2,505,208 76
Leasehold Improvements															
General Improvements	M Kunkle Construction	4/3/2007	MSL	15	HY	15 000 00	-	15 000 00		-	10 500 00	750 00	11 250 00	-	
General Improvements	M Kunkle Construction	4/17/2007	MSL	15	HY	15 000 00	-	15 000 00		-	10 500 00	750 00	11 250 00	-	-
General Improvements	M Kunkle Construction	5/24/2007	MSL	15	HY	15 000 00	-	15 000 00		-	10 500 00	750 00	11 250 00		-
General Improvements	M Kunkle Construction	6/8/2007	MSL	15	HY	6 150 00	-	6 150 00		-	4 305 00	307 50	4 612 50	-	-
General Improvements	M Kunkle Construction	6/21/2007	MSL	15	HY	2 301 00	-	2 301 00		-	1 610 71	115 05	1 725 76	-	-
General Improvements	Legard McDaniel	7/1/2008	MSL	15	HY	4 137 28	-	4 137 28			2 620 28	206 86	2 827 14		-
General Improvements	Amy Samuel	7/31/2008	MSL	15	HY	1 200 00	-	1 200 00		-	760 00	60 00	820 00		-
Alarm Equipment	Protection One	8/3/2011	MSL	5	HY	142.33	-	142 33		-	142.33		142 33	-	-
General Improvements	Legard McDaniel	7/1/2008	MSL	15	HY	1 196 84	-	1 196 84		-	758 02	59 84	817 87	-	
General Improvements	Jay Hoven Construction	4/15/2015	MSL	15	HY	4 724 00		4 724 00		-	787 33	238 20	1 023 53		-
						64 851 45	-	64 851 45		-	42 483 68	3 235 46	45 719 13	-	-
Office Equipment															
Computer/Laptop (GDF)	HP	10/1/2012	MSL	5	HY	929 04	-	929 04		-	929 04	-	929 04	-	-
MAC Mini	The Apple Store	4/21/2015	MSL	5	HY	499 00	-			499 00	249 50	99 80		349 30	149 70
27in iMac (MCM)	TB Consulting	9/30/2015	MSL	5	HY	2 902 78	-			2 902 78	1 451 39	580 56		2 031 95	870 83
Mac Laptop (MCM)	The Apple Store	1/17/2018	MSL	5	HY		1 988 43			1 988 43	-	198 84		198 84	1 789 59
Printer	SOS Office Machines	1/17/2018	MSL	5	HY		3 693 04			3 693 04	-	369 30		369 30	3 323 74
Mac computer	The Apple Store	2/14/2018	MSL	5	HY		3 216 84			3 216 84		321 68		321 68	2 895 16
Ipad (MCM)	The Apple Store	4/18/2018	MSL	5	HY		1 384 00			1 384 00	-	136 40		136 40	1 227 60
Phone System	Crexendo	4/18/2018	MSL	5	HY		1 955 69			1 955 69	-	195 57		195 57	1 760 12
Computer (LR)	The Apple Store	6/20/2018	MSL	5	HY		1 772 17			1 772 17	-	177 22		177 22	1 594 95
						4 330 82	13 990 17	929 04	-	17 391 95	2 629 93	2 079 37	929 04	3 780 26	13 611 69
Furniture and Fixtures															
Lights	Rejuvenation	7/18/2018	MSL	7	HY	-	2 198 00			2 198 00		157 00		157 00	2 041 00
Cabinetry and Millwork	ABCO	9/30/2018	MSL	7	HY	-	63 465 00			63 465 00	-	4 533 21		4 533 21	58 931 79
Kitchen Appliances	ABCO	9/30/2018	MSL	7	HY	-	6 740 00			6 740 00	-	481 43		481 43	6 258 57
Wooden chest (foyer)	Antiquities	10/24/2018	MSL	7	HY		4 561 20			4 561 20	-	325 80		325 80	4 235 40
Medical Cabinet (bathroom)	Antiquities	10/24/2018	MSL	7	HY	-	1 466 10			1 466 10	-	104 72		104 72	1 361 38
Cole Steele File Cabinet	Antiquities	10/24/2018	MSL	7	HY	-	1 520 40			1 520 40		108 60		108 60	1 411 80
8 section Black Bookcase	Antiquities	10/24/2018	MSL	7	HY		1 194 60			1 194 60	-	85 33		85 33	1 109 27
Desk (MCM)	Crate and Barrel	10/24/2018	MSL	7	HY	-	2 267 94			2 267 94		162 00		162 00	2 105 94
Office Chairs (LR)	Bungalow	11/28/2018	MSL	7	HY	-	2 518 74			2 518 74		179 91		179 91	2 338 83
Artwork	Art One Gallery	11/28/2018	MSL	7	HY	-	2 159 00			2 159 00		154 21		154 21	2 004 79
Artwork	Wiseman and Gale	12/11/2018	MSL	7	HY	-	6 125 00			6 125 00	-	437 50		437 50	5 687 50
White Desk mirrors planters	Wiseman and Gale	12/11/2018	MSL	7	HY	-	7 745 37			7 745 37	-	553 24		553 24	7 192 13
4 drawer desk (foyer)	Bungalow	12/19/2018	MSL	7	HY		2 472 86			2 472 86		176 63		176 63	2 296 23
						-	104 434 21	-	-	104 434 21	-	7 459 59	-	7 459 59	96 974 62
TOTAL						1 575,487.27	2,007,578.51	65,780 49	848,508 78	2,668,758 51	45,113 61	54,498 01	46,648 17	52 961 44	2,615,795 07
								#			Depreciation	54,498 01	Net book Value 12/31/18		2,615,795 07

STATEMENT 7

THE STEELE FOUNDATION, INC. **95-3466880**

FORM 990PF-2018, PART I, LINE 23 - OTHER EXPENSES

Description	Revenue and Expenses per books	Net Investment Income	Disbursements for charitable purposes
Bank service charges	$ 1,167	$ 1,167	$ -
Dues	2,764	-	2,764
Insurance	30,685	3,839	26,846
Meals	6,661	-	6,661
Office supplies	10,116	-	10,116
Office expense	23,988	23,988	-
Payroll service expense	3,007	-	3,007
Postage and delivery	726	-	726
Real estate expenses	44,162	33,122	11,041
Miscellaneous	801	801	-
	$ 124,077	$ 62,917	$ 61,160

STATEMENT 8

THE STEELE FOUNDATION, INC. **95-3466880**

FORM 990PF-2018, PART II, LINE 10b - INVESTMENTS - CORPORATE STOCK

Description	# Shares End of Year	Beginning of Year Book Value	End of Year Book Value	End of Year Fair Market Value
Charles Schwab				
Common Stock				
Exxon Mobil Corp	20,323	268,112	163,738	1,385,825
Chevron	17,635	356,625	285,616	1,918,512
Total Corporate Stock		**624,737**	**449,354**	**3,304,337**

STATEMENT 9

THE STEELE FOUNDATION, INC. **95-3466880**

FORM 990PF-2018, PART II, LINE 11 - INVESTMENTS - LAND, BUILDINGS & EQUIPMENT

Description	Beginning of Year Book Value	End of Year Book Value	End of Year Fair Market Value
LAND			
Killam Bay - Land	1,870,000	1,870,000	1,518,445
Maricopa/Midway - Land	3,424,000	3,424,000	4,890,000
	5,294,000	5,294,000	6,408,445
BUILDINGS			
36th St Phoenix Office Building	1,506,286	2,504,858	1,162,500
TOTAL	**6,800,286**	**7,798,858**	**7,570,945**

Note:
In 2018 The Steele Foundation completed and placed in service the 36th St Office Building in Phoenix The Foundation currently occupies one of the four suites (each of equal rental value) and the others are or will be leased Of the total rentable square feet of the building the Foundation uses 25% for its Exempt Use Therefore, 25% of the total building cost once placed in service was allocated to exempt purpose in 2018 per Rev Rul 82-137, 1982-2 C B 303 See also "Statement 6 - Fixed Asse and Part III, line 3

STATEMENT 10

THE STEELE FOUNDATION, INC. **95-3466880**

FORM 990PF-2018, PART II, LINE 13 - INVESTMENTS - OTHER

Description	Beginning of Year Book Value	End of Year Book Value	End of Year Fair Market Value
MUTUAL FUNDS & ETFs:			
Charles Schwab			
Vanguard Intermediate Term ETF	9,033,121	7,911,569	7,499,575
Vanguard Short Term Inflation (TIPS)	1,533,997	1,570,704	1,523,209
Artisan Global Value Fund	2,491,721	2,746,403	2,715,063
Causeway Emerging Markets Fund	1,217,806	3,075,927	2,942,337
	14,276,645	**15,304,603**	**14,680,184**
TOTAL MUTUAL FUNDS & ETFs	**14,276,645**	**15,304,603**	**14,680,184**
LIMITED LIABILITY COMPANIES & LIMITED PARTNERSHIPS			
ALJ Capital II, LP	$ 914,729	$ 669,643	$ 414,176
Adamas Partners, L P	7,931,377	8,692,258	8,237,745
Arrowstreet International Equtiy ACWI Ex US Trust Fund CL M	4,947,064	5,021,526	5,076,479
Blumberg Capital II, LP	543,697	521,012	2,470,564
Blumberg Capital III, LP	1,470,007	1,522,192	2,201,209
Blumberg Capital IV, LP	666,061	985,062	1,201,224
EDHI Douglas Ranch, LLC	840,145	842,582	2,036,895
EDHI Trillium, LLC	289,573	288,322	247,298
Kline Hill	-	331,282	427,536
Mahout Global Emerging Markets Leaders Fund	1,398,617	-	-
Marina Coves, LLC	753,475	753,448	30,829
VP II Loan LLC	355,977	893,540	61,014
Steel Canyon Capital, LLC	1,096,303	1,302,898	1,585,301
Tallwave Capital	123,512	163,237	181,229
	21,330,537	**21,987,002**	**24,171,499**
Cambridge Associates:			
Two Sigma Active Extension US All Cap Equity Fund	4,750,000	4,750,000	6,318,940
Independent Franchise Partners US Equity Fund	2,988,843	2,725,102	2,803,363
Jo Hambro - Global Equtiy Fund	2,477,498	2,160,045	2,363,341
Kabouter International Opportunites Offshore Fund II	2,000,000	2,000,000	2,148,945
RWC	3,000,000	2,554,599	2,696,421
Two Sigma Risk Premia	2,000,000	3,000,000	3,179,737
Wellington	1,002,671	1,218,026	1,198,783
	18,219,012	**18,407,772**	**20,709,530**
OTHER INVESTMENTS:			
Beacon Capital	**$ 904,680**	**$ -**	**$ -**
TOTAL	**$ 54,730,874**	**$ 55,699,377**	**$ 59,561,213**

STATEMENT 11

THE STEELE FOUNDATION, INC 95-3466880

FORM 990PF-2018, PART IV - CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

1(a) Description of Property sold	(b) P/D	(c) Date acq'd	(d) Date sold/expired	(e) Gross Sales Price	(f) Deprec / Selling Exps	(g) Cost / Basis	(h) Gain or (loss)
MARKETABLE SECURITIES & OTHER INVESTMENTS							
Charles Schwab / Wells Fargo							
Bank of America Class Action Settlement	P	Various	01/18/18	2,077	-	-	2,077
Nutanix (8,012 shares)	P	Various	03/31/18	532,228	-	7,245	524,983
Vanguard Intermediate Term (82,949 309 shares)	P	07/06/16	05/29/18	899,975	-	957,581	(57 606)
Reliance Group (final liquidation)	P	Various	05/31/18	279	-	-	279
Artisan Global Value Fund	P	07/06/16	09/17/18	499,975	-	414,770	85,205
Vanguard Intermediate Term (37,385 514 shares)	P	Various	09/18/18	400,000	-	428,078	(28 078)
Vanguard Intermediate Term (37,664 783 shares)	P	Various	10/17/18	399,975	-	432,579	(32,604)
Artisan Global Value Fund - capital gain reinv	P	11/30/18	11/30/18	18,505	-	-	18,505
Exxon Mobil (1,400 shs)	P	12/01/99	12/12/18	106,917	-	37,688	69,229
Exxon Mobil (8,277 shs)	P	06/21/00	12/12/18	632,111	-	66,686	565,425
Chevron Corp (6,365 shs)	P	12/12/95	12/12/18	737,959	-	71,010	666,949
				4,230,001	**-**	**2,415,637**	**1,814,364**
Cambridge Associates - Other Investments							
Independent Franchise Partners - sale of 16,556 291 shs	P	07/18/16	03/20/18	300,000	-	263,740	36,260
Jo Hambro (23,584 906 units)	P	07/14/16	08/10/18	400,000	-	317,453	82,547
RWC Horizon Equity Fund (4,454 01 units)	P	01/31/17	11/13/18	500,000	-	445,401	54,599
Stewart Gem Leaders (47,771 3019 units)	P	12/31/16	06/12/18	1,537,232	-	1,398,617	138,615
Wellington Partners (250 497 units)	P	01/31/17	01/31/18	1,936	-	1,791	145
Wellington Partners (270 13 units)	P	01/31/17	04/30/18	2,104	-	1,952	152
Wellington Partners (355 79 units)	P	01/31/17	07/31/18	2,629	-	2,571	58
Wellington Partners (351 89 units)	P	01/31/17	10/31/18	2,491	-	2,543	(52)
				2,746,392	**-**	**2,434,068**	**312,324**
Partnership and LLC Investments							
Adamas Partners, LP (Per K-1)	P	12/21/16	12/31/18	254,919		-	254,919
Arrowstreet International Equity ACWI Ex Us Trust Fund (K-1)	P	Various	12/31/18	(11,129)		-	(11 129)
ALJ Capital II, LP (Per K-1)	P	Various	12/31/18	(162,702)		-	(162,702)
Blumberg Capital II, LP (Per K-1)	P	Various	12/31/18	1,239		-	1,239
Blumberg Capital III, LP (Per K-1)	P	Various	12/31/18	18,143		-	18,143
Blumberg Capital III, LP (Per K-1)	P	Various	12/31/18	(1,023)		-	(1,023)
Kline Hill, LP (Per K-1)	P	Various	12/31/18	433		-	433
Mahout Global Merging Markets Leaders Fund (Per K-1)	P	12/27/16	12/31/18	32,847		-	32,847
Steel Canyon Partners, LP (Per K-1)	P	Various	12/31/18	212,030		-	212,030
Tallwave Commercialization Fund, LLC (Per K-1)	P	Various	12/31/18	1,718		-	1,718
VP II, LLC (Per K-1)	P	Various	12/31/18	554,649		-	554,649
				901,124	**-**	**-**	**901,124**
GAIN (LOSS) ON MORTGAGE LOANS /REAL ESTATE							
Recovery on ILX Resorts Mortgage Loan written off	P	11/09/18	03/17/03	1,721		-	1,721
Recovery on Diessner Loan written off	P	07/18/18	09/30/08	8,670		-	8,670
Recovery on ABCDW, LLC written off	P	Various	10/12/18	9,381		-	9,381
Beacon Capital Other Asset	P	Various	12/24/18	(887,345)		-	(887,345)
Adamas Partners, LP (Per K-1)	P	12/31/16	12/31/18	980		-	980
Loss on disposal of Leasehold improvements / Office building	P	Various	10/01/18	(19,132)		-	(19,132)
				(885,725)	**-**	**-**	**(885,725)**
Total Gains/(losses) per Line 6(a), column (a)				**6,991,791**	**-**	**4,849,705**	**2,142,086**
Total Gains/(Losses) per Line 7, column (b)				**6,991,791**	**-**	**4,849,705**	**2,142,086**

STATEMENT 12

THE STEELE FOUNDATION, INC. **95-3466880**

FORM 990PF-2018, PART VIII - LIST OF OFFICERS, DIRECTORS AND TRUSTEES

Name and Address	Title, Ave. Hours per Week Devoted to Position	Compensation	Contributions to Employee Benefit Plans & Deferred Comp	Expense Account, Other Allowances
Daniel Cracchiolo PO Box 1112 Phoenix, Arizona 85001	Chairman/Director 20-40 Hours	$ -	$ -	$ -
Marianne Cracchiolo Mago PO Box 1112 Phoenix, Arizona 85001	President 40 Hours	299,097	34,097	-
Andy Abraham PO Box 1112 Phoenix, Arizona 85001	Director 1-2 Hours	-	-	-
W Bryant Stooks PO Box 1112 Phoenix, Arizona 85001	Director 1-2 Hours	-	-	-
Andy Cracchiolo PO Box 1112 Phoenix, Arizona 85001	Director 1-2 Hours	-	-	-
Total		$ 299,097	$ 34,097	$ -

STATEMENT 13

THE STEELE FOUNDATION, INC **95-3466880**

FORM 990PF-2018, PART XV, LINE 3A - CONTRIBUTIONS PAID DURING THE YEAR 2018

Name	Relationship to Fdtn Mgr or Substantial Contributor	Foundation Status of Recipient	Purpose of Grant or Contribution	Amount
100 Club of Arizona 333 N 44th St Suite 100 Phoenix, AZ 85008	N/A	PC	Financial Assistance to families of first responders	$ 2,000
Aid to Adoption of Special Kids 2320 N 20th St Phoenix, AZ 85006	N/A	PC	The Sibling Connections Program	20,000
A New Leaf 868 E University Dr Mesa, AZ 85203	N/A	PC	A New Leaf & Phoenix Day Strategic Partnership - Merger Support	150,000
Act One 910 E Osborn Road, Suite C Phoenix, AZ 85014	N/A	PC	General Operating Support	50,000
Arizona Community Foundation 2201 East Camelback Road, Suite 405B Phoenix, AZ 85016	N/A	PC	Summer Youth Program	25,000
Arizona Heritage Center (AZ Historical Society) 1300 N College Tempe AZ 85281	N/A	PC	Steele Auditorium Audio Visual and Lighting Renovation Project	34,000
ASU Foundation P O Box 2260 Tempe, AZ 85280	N/A	PC	ASU College of Law Dan Cracchiolo Chair in Civil and Criminal Law	200,000
Barrow Neurological Foundation 350 West Thomas Road Phoenix, AZ 85013	N/A	PC	Women's Board Fundraiser	25,000
Barrow Neurological Foundation 350 West Thomas Road Phoenix, AZ 85013	N/A	PC	Barrow Alzheimer's Memory Care	50,000
BHHS Legacy Foundation 360 East Coronado Road, Suite 100 Phoenix, AZ 85004	N/A	PC	Back Pack Buddies Program	20,000
Boys Hope Girls Hope 3443 N Central Ave , Arcade 7 Phoenix, AZ 85012	N/A	PC	Scholar Success Program	50,000
Brophy College Preparatory 4701 North Central Avenue Phoenix, AZ 85012	N/A	PC	The Art of Fashion [Scholarship Fundraiser]	10,000
Brophy College Preparatory 4701 North Central Avenue Phoenix, AZ 85012	N/A	PC	Loyola Academy [Board Member directed gift]	5,000
CASS [Central Arizona Shelter Services] 230 S 12th Ave Phoenix, AZ 85007	N/A	PC	Vista Colina Emergency Shelter	6,000
Children's Action Alliance 4001 North 3rd Street, Suite 160 Phoenix, AZ 85012	N/A	PC	Through the Eyes of a Child - Operations	1,500
Children's Action Alliance 4001 North 3rd Street, Suite 160 Phoenix, AZ 85013	N/A	PC	Arizona Early Childhood Alliance Program	10,000
Children's Museum of Phoenix 215 North 7th Street Phoenix, AZ 85034	N/A	PC	Blockmania!	25,000
Childsplay Inc 900 South Mitchell Drive Tempe, AZ 85281	N/A	PC	Storybook Preview Program	30,000
Cochise College 4190 West State Highway 80 Douglas, AZ 85607	N/A	PC	Operational Support	25,000

STATEMENT 13

THE STEELE FOUNDATION, INC 95-3466880

FORM 990PF-2018, PART XV, LINE 3A - CONTRIBUTIONS PAID DURING THE YEAR 2018

Name	Relationship to Fdtn Mgr or Substantial Contributor	Foundation Status of Recipient	Purpose of Grant or Contribution	Amount
College of the Holy Cross 1 College St Worcester, MA 01610	N/A	PC	DC Scholarship	4,140
College Success Anzona 4040 East Camelback Road, Suite 220 Phoenix, AZ 85018	N/A	PC	St John Vianney Scholarship Recipients MentonngProgram	10,000
Community Food Bank of Southem Anzona 3003 S Country Club Road Tucson, AZ 85713	N/A	PC	Strengthening School Pantnes in Southem AZ	50,000
Family Promise of Greater Phoenix 7221 E Belleview Street Scottsdale, AZ 85257	N/A	PC	Far East Valley Remote Day Center Expansion	33,000
Feeding Matters 7227 N 16th Street Phoenix, AZ 85020	N/A	PC	Power of a Name Campaign	100,000
Florence Immigrant & Refugee Rights Project P O Box 86299 Tucson, AZ 85754	N/A	PC	Legal and Social Services for Spearated Families and Children in Need	139,971
Foundation for Blind Children 1235 East Harmont Dnve Phoenix, AZ 85020	N/A	PC	Campaign to Build for the Next Generation	200,000
Gabnel's Angels 727 E Bethany Home Rd, Suite C-100 Phoenix, AZ 85014	N/A	PC	Pet Therapy Program	35,000
Heard Museum 2301 N Central Ave Phoenix, AZ 85004	N/A	PC	Steele Auditonum Renovation Project	200,000
Hunkapi Program 12051 N 96th St Scottsdale, AZ 85260	N/A	PC	Therapeutic Horse Riding Programs	5,000
i d e a Museum 150 West Pepper Place Mesa, Anzona 85201	N/A	PC	Artful Tales Expenence	25,000
Interfaith Community Services 2820 West Ina Road Tucson, AZ 85741	N/A	PC	Breaking the Cycl Ensunng Success for the Next Generation	20,000
Literacy Connects 200 E Yavapai Rd Tucson, AZ 85705	N/A	PC	Reading Seed Children's Literacy Program	25,000
Loyola Marymount University 1 Loyola Marymount University Dr Los Angeles, CA 90045	N/A	PC	DC Scholarship	2,242
Neighborhood Ministnes Inc 1918 West Van Buren Street Phoenix, AZ 85009	N/A	PC	Moms' Place Program and Neighbors at Work Program	80,000
Paradise Valley United Methodist Church Preschool 4455 Lincoln Dr Paradise Valley AZ 85253	N/A	PC	PreSchool Program [Board Directed Contnbution]	10,000
Parent Aid Child Abuse Prevention Center 2580 E 22nd St Tucson, AZ 85713	N/A	PC	Parent Partners Program	10,000
Phoenix Art Museum 1625 N Central Ave Phoenix, AZ 85004	N/A	PC	Embracing the Community of the Future Initiative	150,000

STATEMENT 13

THE STEELE FOUNDATION, INC **95-3466880**

FORM 990PF-2018, PART XV, LINE 3A - CONTRIBUTIONS PAID DURING THE YEAR 2018

Name	Relationship to Fdtn Mgr or Substantial Contributor	Foundation Status of Recipient	Purpose of Grant or Contribution	Amount
Phoenix Art Museum 1625 N Central Ave Phoenix, AZ 85004	N/A	PC	Pilot Program/Under 18 Free Admission	57,000
Read Better Be Better 715 East Montecito Ave Phoenix, AZ 85014	N/A	PC	Literacy Programs for School Children	45,000
Ryan House 110 West Merrell St Phoenix, AZ 85013	N/A	PC	Grant in Honor of Bobby Anselmo	5,000
Salvation Army 4650 North 65th Street Scottsdale, AZ 85251	N/A	PC	Salvation Army 125th Anniversary Dinner	10,000
Save the Family Foundation 125 E University Drive Mesa, AZ 85201	N/A	PC	Homeless Families Intervention Project	100,000
St John Vianney Catholic School 539 La Pasada Blvd Goodyear, AZ 85338	N/A	PC	Scholarships	57,000
St Simon and Jude Cathedral School 6351 N 27 Avenue Phoenix, AZ 85017	N/A	PC	Furnishings & Equipment for Art Classroom	47,000
Support My Club 5070 N 40th Street, Suite 110 Phoenix, AZ 85018	N/A	PC	Supports students by engaging communities to fulfill the needs of school clubs and teams Board Directed Contribution	10,000
Teach for America 3030 N Central Avenue, Suite 900 Phoenix, AZ 85012	N/A	PC	Teach For America Summer Institute	100,000
The Jewish Federation of Greater Phoenix 12701 N Scottsdale Rd Suite 200 Scottsdale, AZ 85254	N/A	PC	Violins of Hope	35,000
University of Arizona Foundation 1111 North Cherry Avenue Tucson, AZ 85721	N/A	PC	Steele Childrens Research Center 2018 PANDA	10,000
University of San Diego 5998 Alcala Park San Diego, CA 92110	N/A	PC	DC Scholarship	8,321
Upward for Children and Families 6306 N 7th Street Phoenix, AZ 85014	N/A	PC	Upward Lifting Lives-Capital and Operations Support	100,000
Valley of the Sun Jewish Community Center 12701 N Scottsdale Rd Suite 201 Scottsdale, AZ 85254	N/A	PC	William S Levine Family Community Excellence Award [$25,000 less goods &services of $1,500]	23,500
Valley Youth Theatre 807 N 3rd St Phoenix, AZ 85004	N/A	PC	Fee-Free Programming	20,000
Year Up Arizona 1245 E Buckeye Rd Phoenix, AZ 85034	N/A	PC	Year Up Arizona Program Support	100,000
TOTAL				**$ 2,565,674**

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THE STEELE FOUNDATION, INC. 95-3466880

FORM 990PF-2018, PART XV, LINE 3B - CONTRIBUTIONS APPROVED IN 2018 FOR FUTURE PAYMENT

Name and Address	Relationship to Fdtn Mgr or Substantial Contributor	Foundation Status of Recipient	Purpose of Grant or Contribution	Amount
Act One 910 E Osborn Road, Suite C Phoenix, AZ 85014	N/A	PC	General Operating Support	100,000
Florence Immigrant & Refugee Rights Project P O Box 86299 Tucson, AZ 85754	N/A	PC	Legal and Social Services for Spearated Families and Children in Need	279,941
Lowell Observatory 1400 West Mars Hill Road Flagstaff, AZ 86001	N/A	PC	Renovations to Steele Learning Center	250,000
Save the Family Foundation 125 E University Drive Mesa, AZ 85201	N/A	PC	Homeless Families Intervention Project	100,000
Teach for America 3030 N Central Avenue, Suite 900 Phoenix, AZ 85012	N/A	PC	Teach For America Summer Institute	200,000
Upward for Children and Families 6306 N 7th Street Phoenix, AZ 85014	N/A	PC	Upward Lifting Lives-Capital and Operations Support	100,000
Year Up Arizona 1245 E Buckeye Rd Phoenix, AZ 85034	N/A	PC	Year Up Arizona Program Support	200,000
				$ 1,229,941

STATEMENT 15

THE STEELE FOUNDATION, INC. **95-3466880**

FORM 990PF-2018, PART VII-A, LINE 2 - ACTIVITIES NOT PREVIOUSLY REPORTED

IRS Advance Approval of Scholarship Program

In November 2017, the Foundation requested from the IRS advance approval of its scholarship procedures The Foundation received approval in April 2019

The purpose of the scholarship program is to award scholarships to graduating high school seniors who have shown the passion to succeed despite facing economic challenges Because many of these students receive insufficient funds to cover basic tuition and fees for the school, the Foundation makes grants to cover some or all of the "gap" between the student's costs and the school's financial aid, such as basic supplies, transportation, travel, and living expenses

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THE STEELE FOUNDATION, INC. **95-3466880**

FORM 990PF-2018, PART VII-A, LINE 3 - CHANGES TO GOVERNING DOCUMENTS

Changes to Governing Documents

The Foundation's bylaws were amended in December 2018 as follows

AMENDMENT TO THE
BYLAWS
OF
THE STEELE FOUNDATION, INC.

Pursuant to Article XI of the Bylaws of The Steele Foundation, Inc., an Arizona non-profit corporation, the following provision of the Amended and Restated Bylaws of The Steele Foundation, Inc. dated July 25, 1996 is hereby amended.

1. **Article III. Board of Directors – the following Section 11 is hereby added to Article III.**

   Section 11. Resignation. Any Director will be deemed to have resigned as of the date that the Director turns 80.

DATED this 11th **day of** December **2018.**

Daniel F. Cracchiolo, Director

Marianne Cracchiolo Mago, Director

Andy Cracchiolo, Director

WB Stocks

W. Bryant Stocks, Director

Andrew Abraham, Director

STATEMENT 17

THE STEELE FOUNDATION, INC. **95-3466880**

FORM 990PF-2018, PART IX, LINE 1 - SUMMARY OF DIRECT CHARITABLE ACTIVITIES

DC Scholarship Program

The purpose of the scholarship program is to award scholarships to graduating high school seniors who have shown the passion to succeed despite facing economic challenges Because many of these students receive insufficient funds to cover basic tuition and fees for the school, the Foundation makes grants to cover some or all of the "gap" between the student's costs and the school's financial aid, such as basic supplies, transportation, travel, and living expenses

In 2018, the scholarship program helped three students with their college expenses, providing support totaling $14,703 The Foundation strictly follows its scholarship granting procedures as outlined in its IRS advance approval letter, including the use of a grant selection committee, student GPA and reporting requirements, and monitoring use of funds, among other things