

Form **990-PF**

Return of Private Foundation

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

OMB No 1545-0047

2019Department of the Treasury
Internal Revenue Service

▶ Do not enter social security numbers on this form as it may be made public.

▶ Go to www.irs.gov/Form990PF for instructions and the latest information. 2006

Open to Public Inspection

For calendar year 2019 or tax year beginning 07/01/19, and ending 06/30/20

Name of foundation Bessie I Hofstetter Trust		A Employer identification number 75-6006485
Number and street (or P.O. box number if mail is not delivered to street address) 400 West Collin Street		B Telephone number (see instructions) 903-874-1700
City or town, state or province, country, and ZIP or foreign postal code Corsicana TX 75110		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change		D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ 5,043,216 (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 <input type="checkbox"/>
J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____		

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)
1	Contributions, gifts, grants, etc., received (attach schedule)				
2	Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	127,174	127,174		
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	-4,793			
b	Gross sales price for all assets on line 6a	107,415			
7	Capital gain net income (from Part IV, line 2)		0		
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)				
12	Total. Add lines 1 through 11	122,381	127,174		
13	Compensation of officers, directors, trustees, etc	41,460	24,876		16,584
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule) Stmt 1	1,400	840		560
c	Other professional fees (attach schedule)				
17	Interest				
18	Taxes (attach schedule) (see instructions) Stmt 2	7,021			
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (attach schedule)				
24	Total operating and administrative expenses. Add lines 13 through 23	49,881	25,716		17,144
25	Contributions, gifts, grants paid	232,600			232,600
26	Total expenses and disbursements. Add lines 24 and 25	282,481	25,716		249,744
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements	-160,100			
b	Net investment income (if negative, enter -0-)		101,458		
c	Adjusted net income (if negative, enter -0-)				

For Paperwork Reduction Act Notice, see instructions.

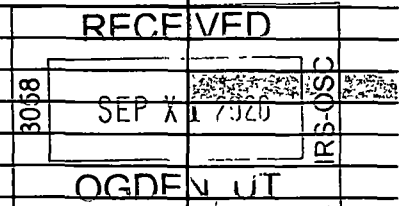
Form 990-PF (2019)

DAA

43 Received In NOV 16 2020
Batching Ogden
Operating and Administrative Expenses

03/04
Revenue

SCANNED FEB 08 2021



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	3,198	9	9
	2 Savings and temporary cash investments	168,177	85,317	85,317
	3 Accounts receivable ▶ Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶ Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (att. schedule) ▶ Less: allowance for doubtful accounts ▶	0		
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	4,960	7,040	7,040
	10a Investments – U S and state government obligations (attach schedule)			
	b Investments – corporate stock (attach schedule) See Stmt 3	630,029	594,079	1,599,996
	c Investments – corporate bonds (attach schedule) See Stmt 4	298,360	298,763	318,085
	11 Investments – land, buildings, and equipment basis ▶ Less: accumulated depreciation (attach sch.) ▶			
	12 Investments – mortgage loans			
	13 Investments – other (attach schedule) See Statement 5	2,754,920	2,714,336	3,032,769
	14 Land, buildings, and equipment basis ▶ Less: accumulated depreciation (attach sch.) ▶			
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers – see the instructions. Also, see page 1, item I)	3,859,644	3,699,544	5,043,216	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	Foundations that follow FASB ASC 958, check here and complete lines 24, 25, 29, and 30. ▶ <input checked="" type="checkbox"/>			
	24 Net assets without donor restrictions	3,859,644	3,699,544	
	25 Net assets with donor restrictions			
	Foundations that do not follow FASB ASC 958, check here and complete lines 26 through 30. ▶ <input type="checkbox"/>			
	26 Capital stock, trust principal, or current funds			
	27 Paid-in or capital surplus, or land, bldg., and equipment fund			
	28 Retained earnings, accumulated income, endowment, or other funds			
	29 Total net assets or fund balances (see instructions)	3,859,644	3,699,544	
30 Total liabilities and net assets/fund balances (see instructions)	3,859,644	3,699,544		

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 29 (must agree with end-of-year figure reported on prior year's return)	1	3,859,644
2 Enter amount from Part I, line 27a	2	-160,100
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	3,699,544
5 Decreases not included in line 2 (itemize) ▶	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 29	6	3,699,544

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 See Worksheet				
b				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e			

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

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss)	<div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div>	2	-4,793
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	8,351

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))
2018	239,711	4,944,747	0.048478
2017	233,540	4,964,015	0.047047
2016	225,846	4,719,568	0.047853
2015	237,783	4,572,703	0.052001
2014	226,219	4,867,382	0.046477

2 Total of line 1, column (d)	2	0.241856
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	0.048371
4 Enter the net value of noncharitable-use assets for 2019 from Part X, line 5	4	5,019,203
5 Multiply line 4 by line 3	5	242,784
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,015
7 Add lines 5 and 6	7	243,799
8 Enter qualifying distributions from Part XII, line 4 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.	8	249,744

Part VII 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 <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)		
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	1,015
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	1,015
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	1,015
6 Credits/Payments.		
a 2019 estimated tax payments and 2018 overpayment credited to 2019	6a	7,040
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	7,040
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	6,025
11 Enter the amount of line 10 to be. Credited to 2020 estimated tax 6,025 Refunded	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? See the instructions for the 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.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. \$ _____ (2) On foundation managers \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		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		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		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?	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	X	
8a Enter the states to which the foundation reports or with which it is registered. See instructions TX		
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	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 2019 or the tax year beginning in 2019? See instructions for Part XIV. If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

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
- 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
- 13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address **N/A**

	Yes	No
11		X
12		X
13	X	

- 14 The books are in care of **Citizens National Bank**
400 West Collin

Telephone no. **903-874-1700**Located at **Corsicana**

TX

ZIP+4 **75110**

- 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 2019, 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?

	Yes	No
16		X

See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country **N/A****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).

- (1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No
- (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No
- (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No
- (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☒ Yes ☐ No
- (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No
- (6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No

- b If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance? See instructions. Organizations relying on a current notice regarding disaster assistance, check here

1b**X**

- 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 2019?

N/A**1c**

- 2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))

- a At the end of tax year 2019, did the foundation have any undistributed income (Part XIII, lines 6d and 6e) for tax year(s) beginning before 2019?

If "Yes," list the years **20**, **20**, **20**, **20**☐ Yes ☒ No

- b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement – see instructions.)

N/A**2b**

- c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here **20**, **20**, **20**, **20**

- 3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?

☐ Yes ☒ No

- b If "Yes," did it have excess business holdings in 2019 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 Form 4720, Schedule C, to determine if the foundation had excess business holdings in 2019.)

N/A**3b**

- 4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?

4a

- 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 2019?

4b**X**

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? See instructions ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance? See instructions
Organizations relying on a current notice regarding disaster assistance, check here **N/A** ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? **N/A** ☐ Yes ☐ No

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No
If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? **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
Citizens National Bank 400 West Collin	Corsicana TX 75110	Trustee 0.00	41,460	0

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

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

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

0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)***3** Five highest-paid independent contractors for professional services. See instructions. If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services ▶**Part IX-A** Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	

Total. Add lines 1 through 3 ▶

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	4,937,040
b	Average of monthly cash balances	1b	152,598
c	Fair market value of all other assets (see instructions)	1c	6,000
d	Total (add lines 1a, b, and c)	1d	5,095,638
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	5,095,638
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	76,435
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	5,019,203
6	Minimum investment return. Enter 5% of line 5	6	250,960

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	250,960
2a	Tax on investment income for 2019 from Part VI, line 5	2a	1,015
b	Income tax for 2019 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	1,015
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	249,945
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	249,945
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	249,945

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	249,744
b	Program-related investments – total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8; and Part XIII, line 4	4	249,744
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	1,015
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	248,729

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 2018	(c) 2018	(d) 2019
1 Distributable amount for 2019 from Part XI, line 7				249,945
2 Undistributed income, if any, as of the end of 2019				
a Enter amount for 2018 only			225,803	
b Total for prior years. 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2019				
a From 2014				
b From 2015				
c From 2016				
d From 2017				
e From 2018				
f Total of lines 3a through e				
4 Qualifying distributions for 2019 from Part XII, line 4: ► \$ 249,744				
a Applied to 2018, but not more than line 2a			225,803	
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 2019 distributable amount				23,941
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2019 (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				
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount – see instructions				
e Undistributed income for 2018. Subtract line 4a from line 2a. Taxable amount – see instructions				
f Undistributed income for 2019. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2020				226,004
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 2014 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2020. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9.				
a Excess from 2015				
b Excess from 2016				
c Excess from 2017				
d Excess from 2018				
e Excess from 2019				

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2019, 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)

2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

b 85% of line 2a

c Qualifying distributions from Part XII,
line 4, for each year listed

d Amounts included in line 2c not used directly for active conduct of exempt activities

e Qualifying distributions made directly for active conduct of exempt activities
Subtract line 2d from line 2c

3 Complete 3a, b, or c for the alternative test relied upon.

a "Assets" alternative test – enter

(1) Value of all assets

(2) Value of assets qualifying under section 4942(j)(3)(B)(i)

b "Endowment" alternative test – enter 2/3 of minimum investment return shown in Part X, line 6, for each year listed

c "Support" alternative test – enter

(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)

(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)

~~(3) Largest amount of support from an exempt organization~~

(4) Gross investment income

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

1 Information Regarding Foundation Managers:

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

N/A

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

N/A

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc., to individuals or organizations under other conditions, complete items 2a, b, c, and d. See instructions.

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

See Attached

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

See Attached

c Any submission deadlines:

See Attached

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

See Attached

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 Paid during the year				
United Way of Navarro County 115 North Main St. Corsicana TX 75110	None	Exempt Charitable Operations		14,500
Presbyterian Children's Home & Serv 5920 W William Cannon Dr. Austin TX 75110	None	Exempt Charitable Operations		52,500
Westminister Presbyterian Church 312 North 13th Street Corsicana TX 75110	None	Exempt Charitable Operations		89,250
Family Service Association 517 North Commerce Corsicana TX 75110	None	Exempt Charitable Operations		20,000
Boys and Girls Club Of Greater Dall 2907 Linfield Road Dallas TX 75216	None	Exempt Charitable Operations		11,750
Camp of the Rising Sun PO Box 1944 Corsicana TX 75151	None	Exempt Charitable Operations		2,000
Northside Baptist Church 2800 North Beaton Street Corsicana TX 75110	None	Exempt Charitable Operations		2,000
Prolife of Navarro County 1115 West 2nd Avenue Corsicana TX 75110	None	Exempt Charitable Operations		7,000
Corsicana Special Olympics Corsicana TX 75110	None	Exempt Charitable Operations		1,600
V.O.I.C.E. 107 West 5th Avenue Corsicana TX 75110	None	Exempt Charitable Operations		14,500
Total			▶ 3a	232,600
b Approved for future payment				
N/A				
Total			▶ 3b	

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

(2) Other assets

b Other transactions:

(1) Sales of assets to a noncharitable exempt organization

(2) Purchases of assets from a noncharitable exempt organization

(3) Rental of facilities, equipment, or other assets

(4) Reimbursement arrangements

(5) Loans or loan guarantees

(6) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

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

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

[illegible]

☐ Yes ☒ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

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

VeraBank
By: Carol Thomsen
Signature of officer or trustee

18/27/2020
Date

Trustee

Print/Type preparer's name

Preparer's signature

Date _____

Check ☐ if self-employed

Paid

Prep

Use Only

Frank Mark, III

Firm's name ▶ **Anderson, Marx & Bohl, P.C.**

Firm's address ▶ **119 N Main St**
Corsicana, TX 75110

08/24/20

PTIN P00475693

Firm's EIN ► **75-2253424**

Phone no **903-872-2571**

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 YMCA of Corsicana 400 Oak Lawn Drive Corsicana TX 75110	None	Exempt	Charitable Operations	14,500
Habitat for Humanity of Navarro Cou 417 West Collin Street Corsicana TX 75110	None	Exempt	Charitable Operations	3,000
Total			► 3a	
b Approved for future payment N/A				
Total			► 3b	

Form 990-PF	Capital Gains and Losses for Tax on Investment Income	2019
For calendar year 2019, or tax year beginning 07/01/19 , and ending 06/30/20		

Name Bessie I Hofstetter Trust	Employer Identification Number 75-6006485
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(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse, or common stock, 200 shs. MLC Co	(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
(1) DFA US Small Cap	P	08/21/18	07/09/19
(2) Third Avenue Real Estate Value Fund	P	Various	02/25/20
(3) National Oilwell Varco Inc	P	04/08/14	03/13/20
(4) Carrier Global Corp	P	Various	06/08/20
(5) Otis Worldwide	P	Various	06/08/20
(6) Capital Gain Distributions			
(7)			
(8)			
(9)			
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			

(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)
(1) 29,778		35,000	-5,222
(2) 31,419		35,555	-4,136
(3) 5,570		35,013	-29,443
(4) 9,091		2,629	6,462
(5) 11,122		4,011	7,111
(6) 20,435			20,435
(7)			
(8)			
(9)			
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(1)			-5,222
(2)			-4,136
(3)			-29,443
(4)			6,462
(5)			7,111
(6)			20,435
(7)			
(8)			
(9)			
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Indirect Accounting Fees	\$ 1,400	\$ 840	\$	\$ 560
Total	\$ 1,400	\$ 840	\$ 0	\$ 560

Statement 2 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
990 PF	\$ 7,021	\$	\$	\$
Total	\$ 7,021	\$ 0	\$ 0	\$ 0

Statement 3 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
600 shs Abbott Laboratories	\$ 12,406	\$ 12,406	Cost	\$ 54,858
600 shs Abbvie	13,454	13,454	Cost	58,908
36 shs Alphabet Cl C	11,981	11,981	Cost	53,717
48 shs Alphabet Cl A	15,136	15,136	Cost	68,066
600 shs American Express	23,722	23,722	Cost	57,120
574 shs Apple	45,234	45,234	Cost	209,395
675 shs Baxter Int'l	26,393	26,393	Cost	58,118
350 shs Berkshire Hathaway B	20,204	20,204	Cost	62,479
100 shs Boeing	4,064	4,064	Cost	18,330
800 shs Chevron	32,406	32,406	Cost	71,384
1111 shs Citigroup	76,334	76,334	Cost	56,772
1400 shs Coca Cola	52,501	52,501	Cost	62,552
1200 shs Dominion Energy	37,878	37,878	Cost	97,416
1200 shs Fiserv	10,800	10,800	Cost	117,144
698 shs Halliburton		5,703	Cost	9,060
1300 shs Intel	25,889	25,889	Cost	77,779
600 shs Johnson & Johnson	22,225	22,225	Cost	84,378
600 shs Microsoft	10,096	10,096	Cost	122,106
500 shs National Oilwell Varco	35,013		Cost	
550 shs Pepsico	21,938	21,938	Cost	72,743

Federal Statements

Statement 3 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
1100 shs Pfizer	\$ 36,514	\$ 36,514	Cost	\$ 35,970
400 shs Raytheon Tech		9,154	Cost	24,648
1045 shs US Bancorp	30,274	30,274	Cost	38,477
400 shs United Parcel Service CL B	28,380	28,380	Cost	44,472
400 shs United Technologies	15,794		Cost	
800 shs Verizon	21,393	21,393	Cost	44,104
Total	\$ 630,029	\$ 594,079		\$ 1,599,996

Statement 4 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
Apple Inc 2.4% due 5/03/23	\$ 97,541	\$ 97,937	Cost	\$ 105,706
Berkshire Hataway 3.75% due 8/15/21	101,083	100,976	Cost	103,626
Wells Fargo & Co 4.125% due 8/15/23	99,736	99,850	Cost	108,753
Total	\$ 298,360	\$ 298,763		\$ 318,085

Federal Statements

Statement 5 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
Dodge & Cox Income Fund	\$ 906,064	\$ 906,064	Cost	\$ 973,372
T Rowe Price High Yield	239,961	239,961	Cost	221,507
Flexshares TR IBOXX 3R Target	75,516	75,516	Cost	76,700
Flexshares TR IBOXX 5R Target	75,573	75,573	Cost	80,021
Vanguard GNMA	285,784	285,784	Cost	293,345
Vanguard S-T Inv Grade Fund	208,325	208,325	Cost	213,871
882.056 DFA US Small Cap	35,000		Cost	
1260.013 T Rowe Price Blue Chip Grow	140,000	140,000	Cost	173,920
16,147.019 shs DFA Int'l Core Equity	190,056	190,056	Cost	189,566
4730 shs Flexshares MSTAR GBL Up	151,064	151,064	Cost	130,737
2691 shs Flexshares Quality Dividend	107,129	107,129	Cost	113,695
4,992.747 shs MFS Int'l Value I	190,056	190,056	Cost	240,700
Third Avenue Real Estate Value Fd	35,556		Cost	
Vanguard REIT Index	37,409	37,409	Cost	32,040
Vanguard 500 Index	77,427	77,427	Cost	265,483
Vanguard Small Cap Index Fund		29,972	Cost	27,812
Total	\$ 2,754,920	\$ 2,714,336		\$ 3,032,769

Federal Statements**Form 990-PF, Part III, Line 3 - Other Increases**

Description	Amount
Refund of Prior Year Excise Taxes	\$
Total	\$ 0

Form 990-PF, Part XV, Line 2b - Application Format and Required Contents

Description
See Attached

Form 990-PF, Part XV, Line 2c - Submission Deadlines

Description
See Attached

Form 990-PF, Part XV, Line 2d - Award Restrictions or Limitations

Description
See Attached