Form **990-PF**

Department of the Treasury
Internal Revenue Service

# Return of Private Foundation

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

**Note.** The foundation may be able to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0052

**2009**

**For calendar year 2009, or tax year beginning** , **and ending**

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

Use the IRS label. Otherwise, print or type. See Specific Instructions.

Name of foundation
Gene Conley Foundation
Account Number 80171000

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
2301 Kell Boulevard

City or town, state, and ZIP code
Wichita Falls, TX 76308

**A Employer identification number** 75-2224430

**B Telephone number** (940)766-8312

**C** If exemption application is pending, check here ☐

**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 ☐

**H** Check type of organization: [X] Section 501(c)(3) exempt private foundation ☐ 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) ▶ $ 7,145,808.58

**J** Accounting method: [X] Cash ☐ Accrual ☐ Other (specify) (Part I, column (d) must be on cash basis.)

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**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))

| | | (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 | | | N/A | |
| 2 | Check ▶ [X] if the foundation is not required to attach Sch B | | | | |
| 3 | Interest on savings and temporary cash investments | 1,472.65 | 1,472.65 | | Statement 1 |
| 4 | Dividends and interest from securities | 100,198.99 | 100,198.99 | | Statement 2 |
| 5a | Gross rents | 24,592.00 | 24,592.00 | | Statement 3 |
| b | Net rental income or (loss) 21,071.56 | | | | Statement 4 |
| 6a | Net gain or (loss) from sale of assets not on line 10 | <384,762.00> | | | |
| b | Gross sales price for all assets on line 6a 1,253,484.15 | | | | |
| 7 | Capital gain net income (from Part IV, line 2) | | 0.00 | | |
| 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) | | | | |
| 11 | Other income | 383,469.00 | 383,469.00 | | Statement 5 |
| 12 | **Total.** Add lines 1 through 11 | 124,970.64 | 509,732.64 | | |
| Operating and Administrative Expenses 13 | Compensation of officers, directors, trustees, etc | 78,500.20 | 56,250.15 | | 22,250.05 |
| 14 | Other employee salaries and wages | | | | |
| 15 | Pension plans, employee benefits | | | | |
| 16a | Legal fees Stmt 6 | 660.00 | 660.00 | | 0.00 |
| b | Accounting fees Stmt 7 | 8,650.00 | 4,757.50 | | 3,892.50 |
| c | Other professional fees | | | | |
| 17 | Interest | | | | |
| 18 | Taxes Stmt 8 | 49,183.47 | 41,068.46 | | 0.00 |
| 19 | Depreciation and depletion | | | | |
| 20 | Occupancy | | | | |
| 21 | Travel, conferences, and meetings | | | | |
| 22 | Printing and publications | | | | |
| 23 | Other expenses Stmt 9 | 1,246.10 | 1,246.10 | | 0.00 |
| 24 | **Total operating and administrative expenses.** Add lines 13 through 23 | 138,239.77 | 103,982.21 | | 26,142.55 |
| 25 | Contributions, gifts, grants paid | 246,987.00 | | | 246,987.00 |
| 26 | **Total expenses and disbursements.** Add lines 24 and 25 | 385,226.77 | 103,982.21 | | 273,129.55 |
| 27 | Subtract line 26 from line 12 | | | | |
| a | Excess of revenue over expenses and disbursements | <260,256.13> | | | |
| b | **Net investment income** (if negative, enter -0-) | | 405,750.43 | | |
| c | **Adjusted net income** (if negative, enter -0-) | | | N/A | |

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923501 02-02-10 LHA **For Privacy Act and Paperwork Reduction Act Notice, see the instructions.**



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**Part II Balance Sheets** Attached schedules and amounts in the description column should be for end-of-year amounts only

| | | Beginning of year (a) Book Value | End of year (b) Book Value | (c) Fair Market Value |
|---|---|---|---|---|
| **Assets** 1 | Cash - non-interest-bearing | 2,019.12 | 5,276.52 | 5,276.52 |
| 2 | Savings and temporary cash investments | 484,463.07 | 404,044.60 | 404,044.60 |
| 3 | Accounts receivable ▶ 3,910.82 | | | |
| | Less allowance for doubtful accounts ▶ | 4,975.41 | 3,910.82 | 3,910.82 |
| 4 | Pledges receivable ▶ | | | |
| | Less allowance for doubtful accounts ▶ | | | |
| 5 | Grants receivable | | | |
| 6 | Receivables due from officers, directors, trustees, and other disqualified persons | | | |
| 7 | Other notes and loans receivable ▶ | | | |
| | Less allowance for doubtful accounts ▶ | | | |
| 8 | Inventories for sale or use | | | |
| 9 | Prepaid expenses and deferred charges | 9,600.00 | 1,484.99 | 1,484.99 |
| 10a | Investments - U S and state government obligations Stmt 10 | 291,994.05 | 139,353.04 | 144,795.90 |
| b | Investments - corporate stock Stmt 11 | 2,979,153.01 | 3,135,241.34 | 3,342,586.78 |
| c | Investments - corporate bonds Stmt 12 | 505,746.75 | 329,098.75 | 341,681.75 |
| 11 | Investments - land, buildings, and equipment basis ▶ 403,109.10 | | | |
| | Less accumulated depreciation Stmt 13 ▶ 175.00 | 402,934.10 | 402,934.10 | 1,325,720.00 |
| 12 | Investments - mortgage loans | | | |
| 13 | Investments - other Stmt 14 | 34,023.00 | 34,023.00 | 1,576,318.22 |
| 14 | Land, buildings, and equipment basis ▶ | | | |
| | Less accumulated depreciation ▶ | | | |
| 15 | Other assets (describe ▶ Schedule 6 ) | 1.00 | 1.00 | 1.00 |
| 16 | **Total assets** (to be completed by all filers) | 4,714,909.51 | 4,455,368.16 | 7,145,820.58 |
| **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 | | | |
| 22 | Other liabilities (describe ▶ ) | | | |
| 23 | **Total liabilities** (add lines 17 through 22) | 0.00 | 0.00 | |
| **Net Assets or Fund Balances** | **Foundations that follow SFAS 117, check here** ▶ ☐ **and complete lines 24 through 26 and lines 30 and 31.** | | | |
| 24 | Unrestricted | | | |
| 25 | Temporarily restricted | | | |
| 26 | Permanently restricted | | | |
| | **Foundations that do not follow SFAS 117, check here** ▶ ☒ **and complete lines 27 through 31.** | | | |
| 27 | Capital stock, trust principal, or current funds | 1,091,276.98 | 1,091,276.98 | |
| 28 | Paid-in or capital surplus, or land, bldg , and equipment fund | 0.00 | 0.00 | |
| 29 | Retained earnings, accumulated income, endowment, or other funds | 3,623,632.53 | 3,364,091.18 | |
| 30 | **Total net assets or fund balances** | 4,714,909.51 | 4,455,368.16 | |
| 31 | **Total liabilities and net assets/fund balances** | 4,714,909.51 | 4,455,368.16 | |

**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 | 4,714,909.51 |
| 2 | Enter amount from Part I, line 27a | 2 | <260,256.13> |
| 3 | Other increases not included in line 2 (itemize) ▶ Return of Capital adjustment | 3 | 714.78 |
| 4 | Add lines 1, 2, and 3 | 4 | 4,455,368.16 |
| 5 | Decreases not included in line 2 (itemize) ▶ | 5 | 0.00 |
| 6 | Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30 | 6 | 4,455,368.16 |

## Part IV Capital Gains and Losses for Tax on Investment Income

| | (a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co ) | (b) How acquired P - Purchase D - Donation | (c) Date acquired (mo , day, yr ) | (d) Date sold (mo , day, yr ) |
|---|---|---|---|---|
| 1a | Short term - Sch. 3 | P | Various | Various |
| b | Long term - Sch. 3 | P | Various | Various |
| c | Capital Gains Dividends | | | |
| 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 | 194,660.19 | | 174,376.93 | 20,283.26 |
| b | 1,056,846.61 | | 1,463,869.22 | <407,022.61> |
| c | 1,977.35 | | | 1,977.35 |
| d | | | | |
| e | | | | |

| | Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69 | | | (l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h)) |
|---|---|---|---|---|
| | (i) F M V as of 12/31/69 | (j) Adjusted basis as of 12/31/69 | (k) Excess of col (i) over col (j), if any | |
| a | | | | 20,283.26 |
| b | | | | <407,022.61> |
| c | | | | 1,977.35 |
| 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 — <384,762.00>

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) If (loss), enter -0- in Part I, line 8 — 3 — N/A

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see instructions before making any entries

| (a) Base period years Calendar year (or tax year beginning in) | (b) Adjusted qualifying distributions | (c) Net value of noncharitable-use assets | (d) Distribution ratio (col (b) divided by col. (c)) |
|---|---|---|---|
| 2008 | 251,932.08 | 5,800,171.21 | .043435 |
| 2007 | 221,307.29 | 5,443,518.68 | .040655 |
| 2006 | 194,130.80 | 4,677,244.50 | .041505 |
| 2005 | 169,415.84 | 4,008,259.28 | .042267 |
| 2004 | 148,682.59 | 3,483,985.64 | .042676 |

| | | | |
|---|---|---|---|
| 2 | Total of line 1, column (d) | 2 | .210538 |
| 3 | Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years | 3 | .042108 |
| 4 | Enter the net value of noncharitable-use assets for 2009 from Part X, line 5 | 4 | 6,700,579.45 |
| 5 | Multiply line 4 by line 3 | 5 | 282,148.00 |
| 6 | Enter 1% of net investment income (1% of Part I, line 27b) | 6 | 4,057.50 |
| 7 | Add lines 5 and 6 | 7 | 286,205.50 |
| 8 | Enter qualifying distributions from Part XII, line 4 | 8 | 273,129.55 |

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

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

| | | | |
|---|---|---|---|
| 1a Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1<br>Date of ruling or determination letter ______ **(attach copy of letter if necessary-see instructions)**<br>b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b<br>c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b) | | 1 | 8,115.01 |
| 2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-) | | 2 | 0.00 |
| 3 Add lines 1 and 2 | | 3 | 8,115.01 |
| 4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-) | | 4 | 0.00 |
| 5 **Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0- | | 5 | 8,115.01 |
| 6 Credits/Payments | | | |
| a 2009 estimated tax payments and 2008 overpayment credited to 2009 | 6a 9,600.00 | | |
| 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 | 9,600.00 |
| 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 | |
| 10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶ | | 10 | 1,484.99 |
| 11 Enter the amount of line 10 to be **Credited to 2010 estimated tax** ▶ | 1,484.99 **Refunded** ▶ | 11 | 0.00 |

**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 instructions for 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<br>(1) On the foundation ▶ $ 0.00 (2) On foundation managers ▶ $ 0.00 | | | |
| e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ 0.00 | | | |
| 2 Has the foundation engaged in any activities that have not previously been reported to the IRS?<br>*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* | 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? N/A | 4b | | |
| 5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?<br>*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<br>• By language in the governing instrument, or<br>• 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?<br>*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) ▶<br>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* | 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 2009 or the taxable year beginning in 2009 (see 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 |

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

| | | Line | 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 acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? | 12 | | X |
| 13 | Did the foundation comply with the public inspection requirements for its annual returns and exemption application? | 13 | X | |

Website address ▶ N/A

14 The books are in care of ▶ Wells Fargo Bank, N.A. Telephone no. ▶ (940)766-8312

Located at ▶ 2301 Kell Boulevard, Wichita Falls, TX ZIP+4 ▶ 76308-1041

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 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.**

| | | | Line | 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 page 20 of the 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 2009? | | 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 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? | ☐ Yes ☒ No | | | |
| | If "Yes," list the years ▶ ____, ____, ____, ____ | | | | |
| 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 ▶ ____, ____, ____, ____ | | | | |
| 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 2009 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 2009.)* | 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 2009? | | 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 509(a)(1), (2), or (3), or section 4940(d)(2)? ☐ 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)? N/A | 5b |

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? 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? | 6b | | X

*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 | 7b |

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

**1 List all officers, directors, trustees, foundation managers and their compensation.**

| (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 |
|---|---|---|---|---|
| Schedule 10 | 0.00 | 75,000.20 | 0.00 | 0.00 |
| Schedule 10 | 0.00 | 3,500.00 | 0.00 | 0.00 |
| | | | | |
| | | | | |

**2 Compensation of five highest-paid employees (other than those included on line 1). 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



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**Part VIII** **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** *(continued)*

**3 Five highest-paid independent contractors for professional services. If none, enter "NONE."**

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

**Total** number of others receiving over $50,000 for professional services ▶ 0

**Part IX-A** **Summary of Direct Charitable Activities**

| List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc | Expenses |
|---|---|
| 1 N/A | |
| 2 | |
| 3 | |
| 4 | |

**Part IX-B** **Summary of Program-Related Investments**

| 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<br>3 | |
| **Total.** Add lines 1 through 3 ▶ | 0.00 |



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

| | | | | |
|---|---|---|---|---|
| 1 | Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes | | | |
| a | Average monthly fair market value of securities | | 1a | 3,320,613.49 |
| b | Average of monthly cash balances | | 1b | 480,367.50 |
| c | Fair market value of all other assets | | 1c | 3,001,637.74 |
| d | **Total** (add lines 1a, b, and c) | | 1d | 6,802,618.73 |
| e | Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) | 1e 0.00 | | |
| 2 | Acquisition indebtedness applicable to line 1 assets | | 2 | 0.00 |
| 3 | Subtract line 2 from line 1d | | 3 | 6,802,618.73 |
| 4 | Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions) | | 4 | 102,039.28 |
| 5 | **Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4 | | 5 | 6,700,579.45 |
| 6 | **Minimum investment return** Enter 5% of line 5 | | 6 | 335,028.97 |

**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 | 335,028.97 |
| 2a | Tax on investment income for 2009 from Part VI, line 5 | 2a 8,115.01 | | |
| b | Income tax for 2009 (This does not include the tax from Part VI ) | 2b | | |
| c | Add lines 2a and 2b | | 2c | 8,115.01 |
| 3 | Distributable amount before adjustments Subtract line 2c from line 1 | | 3 | 326,913.96 |
| 4 | Recoveries of amounts treated as qualifying distributions | | 4 | 0.00 |
| 5 | Add lines 3 and 4 | | 5 | 326,913.96 |
| 6 | Deduction from distributable amount (see instructions) | | 6 | 0.00 |
| 7 | **Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1 | | 7 | 326,913.96 |

**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 | 273,129.55 |
| b | Program-related investments - total from Part IX-B | 1b | 0.00 |
| 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 | 273,129.55 |
| 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 | 5 | 0.00 |
| 6 | **Adjusted qualifying distributions.** Subtract line 5 from line 4 | 6 | 273,129.55 |

**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 2008 | (c) 2008 | (d) 2009 |
|---|---|---|---|---|
| 1 Distributable amount for 2009 from Part XI, line 7 | | | | 326,913.96 |
| 2 Undistributed income, if any, as of the end of 2009 | | | | |
| a Enter amount for 2008 only | | | 246,986.32 | |
| b Total for prior years ____ , ____ , ____ | | 0.00 | | |
| 3 Excess distributions carryover, if any, to 2009 | | | | |
| a From 2004 | | | | |
| b From 2005 | | | | |
| c From 2006 | | | | |
| d From 2007 | | | | |
| e From 2008 | | | | |
| f **Total** of lines 3a through e | 0.00 | | | |
| 4 Qualifying distributions for 2009 from Part XII, line 4 ▶ $ 273,129.55 | | | | |
| a Applied to 2008, but not more than line 2a | | | 246,986.32 | |
| b Applied to undistributed income of prior years (Election required - see instructions) | | 0.00 | | |
| c Treated as distributions out of corpus (Election required - see instructions) | 0.00 | | | |
| d Applied to 2009 distributable amount | | | | 26,143.23 |
| e Remaining amount distributed out of corpus | 0.00 | | | |
| 5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a)) | 0.00 | | | 0.00 |
| 6 **Enter the net total of each column as indicated below:** | | | | |
| a Corpus Add lines 3f, 4c, and 4e Subtract line 5 | 0.00 | | | |
| b Prior years' undistributed income Subtract line 4b from line 2b | | 0.00 | | |
| c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed | | 0.00 | | |
| d Subtract line 6c from line 6b Taxable amount - see instructions | | 0.00 | | |
| e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount - see instr | | | 0.00 | |
| f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010 | | | | 300,770.73 |
| 7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) | 0.00 | | | |
| 8 Excess distributions carryover from 2004 not applied on line 5 or line 7 | 0.00 | | | |
| 9 **Excess distributions carryover to 2010.** Subtract lines 7 and 8 from line 6a | 0.00 | | | |
| 10 Analysis of line 9 | | | | |
| a Excess from 2005 | | | | |
| b Excess from 2006 | | | | |
| c Excess from 2007 | | | | |
| d Excess from 2008 | | | | |
| e Excess from 2009 | | | | |

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, 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 | | | |
|---|---|---|---|---|---|
| | (a) 2009 | (b) 2008 | (c) 2007 | (d) 2006 | (e) Total |
| 2 a 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 the 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) )

None

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

None

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

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

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

See Statement 15

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<br>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* | | | | |
| Schedule 5 | None | Public | Various | 246,987.00 |
| **Total** | | | ▶ 3a | 246,987.00 |
| b *Approved for future payment* | | | | |
| None | | | | |
| **Total** | | | ▶ 3b | 0.00 |

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

| Enter gross amounts unless otherwise indicated | Unrelated business income (a) Business code | Unrelated business income (b) Amount | Excluded by section 512, 513, or 514 (c) Exclusion code | Excluded by section 512, 513, or 514 (d) Amount | (e) Related or exempt function income |
|---|---|---|---|---|---|
| 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 | 1,472.65 | |
| 4 Dividends and interest from securities | | | 14 | 100,198.99 | |
| 5 Net rental income or (loss) from real estate | | | | | |
| a Debt-financed property | | | | | |
| b Not debt-financed property | | | 16 | 21,071.56 | |
| 6 Net rental income or (loss) from personal property | | | | | |
| 7 Other investment income | | | 15 | 383,469.00 | |
| 8 Gain or (loss) from sales of assets other than inventory | | | 18 | <384,762.00> | |
| 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) | | 0.00 | | 121,450.20 | 0.00 |

13 Total. Add line 12, columns (b), (d), and (e) 13 121,450.20

(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) |
|---|---|
| | N/A |

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

| | | | Yes | No |
|---|---|---|---|---|
| 1 | Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations? | | | |
| a | Transfers from the reporting foundation to a noncharitable exempt organization of | | | |
| | (1) Cash | 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 |
|---|---|---|---|
| | | N/A | |

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

b If "Yes," complete the following schedule

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

**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 or fiduciary) is based on all information of which preparer has any knowledge

Scott Tucker 5/12/10 J. SCOTT TUCKER VICE PRESIDENT

Signature of officer or trustee — Date — Title

**Paid Preparer's Use Only**

| | | | |
|---|---|---|---|
| Preparer's signature: Mac Cannedy | Date 5/12/10 | Check if self-employed ▶ ☐ | Preparer's identifying number P00123468 |
| Firm's name (or yours if self-employed), address, and ZIP code: Freemon, Shapard & Story, 807 8th Street, 2nd Floor, Wichita Falls, TX 76301-3381 | | EIN ▶ 75-0706311 | Phone no (940)322-4436 |

## 2009 DEPRECIATION AND AMORTIZATION REPORT

Farm Rental - Hardeman County, TX    RENT    1

| Asset No | Description | Date Acquired | Method | Life | Line No | Unadjusted Cost Or Basis | Bus % Excl | * Reduction In Basis | Basis For Depreciation | Accumulated Depreciation | Current Sec 179 | Current Year Deduction |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Land & Improvements | 031687 | L | | | 402934.10 | | | 402934.10 | | | 0.00 |
| 2 | Stock Tank | 112189 | 200DB | 7.00 | 17 | 175.00 | | | 175.00 | 175.00 | | 0.00 |
| | * Total 990-PF Rental Depr | | | | | 403109.10 | | 0.00 | 403109.10 | 175.00 | 0.00 | 0.00 |



(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction

Form 990-PF Interest on Savings and Temporary Cash Investments Statement 1

| Source | Amount |
|---|---|
| Schedule 1 | 1,472.65 |
| Total to Form 990-PF, Part I, line 3, Column A | 1,472.65 |

Form 990-PF Dividends and Interest from Securities Statement 2

| Source | Gross Amount | Capital Gains Dividends | Column (A) Amount |
|---|---|---|---|
| Schedule 2 | 102,176.34 | 1,977.35 | 100,198.99 |
| Total to Fm 990-PF, Part I, ln 4 | 102,176.34 | 1,977.35 | 100,198.99 |

Form 990-PF Rental Income Statement 3

| Kind and Location of Property | Activity Number | Gross Rental Income |
| --- | --- | --- |
| Farm Rental - Hardeman County, TX | 1 | 24,592.00 |
| Total to Form 990-PF, Part I, line 5a | | 24,592.00 |

Form 990-PF | Rental Expenses | Statement 4

| Description | Activity Number | Amount | Total |
|---|---|---|---|
| Farm rental - Ad valorem taxes | | 3,156.94 | |
| Farm rental - Insurance | | 253.50 | |
| Farm rental - Other | | 110.00 | |
| - SubTotal - | 1 | | 3,520.44 |
| Total rental expenses | | | 3,520.44 |
| Net rental Income to Form 990-PF, Part I, line 5b | | | 21,071.56 |

| Form 990-PF | Other Income | Statement 5 |
|---|---|---|

| Description | (a) Revenue Per Books | (b) Net Investment Income | (c) Adjusted Net Income |
|---|---|---|---|
| Gross oil & gas royalties - Hardeman County, Tx | 383,469.00 | 383,469.00 | |
| Total to Form 990-PF, Part I, line 11 | 383,469.00 | 383,469.00 | |

Form 990-PF Legal Fees Statement 6

| Description | (a) Expenses Per Books | (b) Net Investment Income | (c) Adjusted Net Income | (d) Charitable Purposes |
|---|---|---|---|---|
| Legal fees - Administrative | 660.00 | 660.00 | | 0.00 |
| To Fm 990-PF, Pg 1, ln 16a | 660.00 | 660.00 | | 0.00 |

Form 990-PF | Accounting Fees | Statement 7

| Description | (a) Expenses Per Books | (b) Net Investment Income | (c) Adjusted Net Income | (d) Charitable Purposes |
|---|---|---|---|---|
| Accounting fees - Tax return preparation | 4,757.50 | 4,757.50 | | 0.00 |
| Accounting fees - Charitable distribution planning | 3,892.50 | 0.00 | | 3,892.50 |
| To Form 990-PF, Pg 1, ln 16b | 8,650.00 | 4,757.50 | | 3,892.50 |

Form 990-PF | Taxes | Statement 8

| Description | (a) Expenses Per Books | (b) Net Investment Income | (c) Adjusted Net Income | (d) Charitable Purposes |
|---|---|---|---|---|
| Federal excise | 8,115.01 | 0.00 | | 0.00 |
| Royalties - Gross production | 17,736.52 | 17,736.52 | | 0.00 |
| Royalties - Ad valorem | 18,748.51 | 18,748.51 | | 0.00 |
| Foreign | 1,426.49 | 1,426.49 | | 0.00 |
| Farm Rental - Ad valorem | 3,156.94 | 3,156.94 | | 0.00 |
| To Form 990-PF, Pg 1, ln 18 | 49,183.47 | 41,068.46 | | 0.00 |

Form 990-PF Other Expenses Statement 9

| Description | (a) Expenses Per Books | (b) Net Investment Income | (c) Adjusted Net Income | (d) Charitable Purposes |
|---|---|---|---|---|
| Farm rental - Insurance | 253.50 | 253.50 | | 0.00 |
| Farm rental - Other | 110.00 | 110.00 | | 0.00 |
| Miscellaneous | 882.60 | 882.60 | | 0.00 |
| To Form 990-PF, Pg 1, ln 23 | 1,246.10 | 1,246.10 | | 0.00 |

| Form 990-PF | U.S. and State/City Government Obligations | Statement 10 |
|---|---|---|

| Description | U.S. Gov't | Other Gov't | Book Value | Fair Market Value |
|---|---|---|---|---|
| Schedule 6 | X | | 139,353.04 | 144,795.90 |
| Total U.S. Government Obligations | | | 139,353.04 | 144,795.90 |
| Total State and Municipal Government Obligations | | | | |
| Total to Form 990-PF, Part II, line 10a | | | 139,353.04 | 144,795.90 |

Form 990-PF Corporate Stock Statement 11

| Description | Book Value | Fair Market Value |
|---|---|---|
| Schedule 6 | 3,135,241.34 | 3,342,586.78 |
| Total to Form 990-PF, Part II, line 10b | 3,135,241.34 | 3,342,586.78 |

| Form 990-PF | Corporate Bonds | Statement 12 |
|---|---|---|

| Description | Book Value | Fair Market Value |
|---|---|---|
| Schedule 6 | 329,098.75 | 341,681.75 |
| Total to Form 990-PF, Part II, line 10c | 329,098.75 | 341,681.75 |

Form 990-PF Depreciation of Assets Held for Investment Statement 13

| Description | Cost or Other Basis | Accumulated Depreciation | Book Value |
|---|---|---|---|
| Land & Improvements | 402,934.10 | 0.00 | 402,934.10 |
| Stock Tank | 175.00 | 175.00 | 0.00 |
| Total to Fm 990-PF, Part II, ln 11 | 403,109.10 | 175.00 | 402,934.10 |

| Form 990-PF | Other Investments | Statement 14 |
|---|---|---|

| Description | Valuation Method | Book Value | Fair Market Value |
|---|---|---|---|
| Schedule 6 | FMV | 34,023.00 | 1,576,306.22 |
| Total to Form 990-PF, Part II, line 13 | | 34,023.00 | 1,576,306.22 |

Form 990-PF Grant Application Submission Information Statement 15
Part XV, Lines 2a through 2d

Name and Address of Person to Whom Applications Should be Submitted

J. Scott Tucker, Vice President, Wells Fargo Bank, N.A.
2301 Kell Boulevard
Wichita Falls, TX 76308

Telephone Number

(940)766-8312

Form and Content of Applications

See copy of Grant Application which must be used(no substitutions), attached as Exhibit 16A to this statement.

Any Submission Deadlines

Annually by May 1; Awards granted mid-year.

Restrictions and Limitations on Awards

The purpose of each grant must preferably serve a substantial constituency of North Texas. Each grant must be used to render services primarily for medical care, general care, the arts, or science education of persons age 18 or younger, preferably for direct client services.

Exhibit 16A

WELLS FARGO

**Private Client Services**
2301 Kell Boulevard
P.O Box 9129
Wichita Falls, TX 76308
940 766-8301
940 766-8303 Fax

***The Gene Conley Foundation***
***Wells Fargo Bank, N.A.***
***Private Client Services***
***P. O. Box 9129***
***Wichita Falls, Texas 76308***
***(940) 766-8312***

## *Grant Application*

***DEADLINE - MAY 1ST: Grant Applications must be received by the Foundation by May 1st or the preceding business day if May 1st is on a weekend.*** *Questions must be answered using this original form and in the spaces allocated. Continuation sheets and/or attachments will not be accepted. Computer substitutions are not acceptable.*

***Please mail applications to the above address or deliver to the Gene Conley Foundation at Wells Fargo Bank, 2301 Kell Boulevard, Wichita Falls, Texas.*** *Faxes will not be accepted. Please provide the original and 8 copies of the application and all enclosures for a total of 9 sets. Please use only 3-hole-punched letter-size paper. Also, please do not use staples, clips, binders, folders, envelopes, etc., as all applications and enclosures will be put into a large three-ring binder.*

***The purpose of each grant must preferably serve a constituency in the North Texas area. Additionally, each grant must be used to render services primarily for medical care, general care or the education of persons ages 18 or younger.*** *The Gene Conley Foundation prefers to provide funding for direct client services. Funding for successive years should not be assumed by grant applicants.*

*Funds for grants will be distributed each year by approximately July 31st.*

*Successful grant applicants will be required to certify to the Foundation, in writing, that the grant was used for the purposes as stated in the Grant Application.*

---

1. Legal name of organization______________________________

2. Street Address______________________________
   City________________ State______ Zip________
   Phone number____________ Fax number____________
   e-mail address______________________________

3. Date organization established__________ Tax ID #__________

4. Person to contact regarding grant application:
   Name________________ Title________________
   Phone number____________ Fax number____________
   e-mail address______________________________

5. Organization's mission statement

6. Description of organization

7. Amount requested $

8. Requested funds will be used for

9. Budget information for project for which funds requested - please enclose.

10. Funds currently committed for project

11. Others requested to support project

12. Geographic area to be served with requested funds________________________

________________________________________________________________________

________________________________________________________________________

13. Population to be served by project and number of people expected to benefit from project________________________________________________________________

________________________________________________________________________

________________________________________________________________________

14. How will funding for project continue beyond the grant funding?______________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

15. How will organization publicly recognize the Conley Foundation for the grant?

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

16. Outstanding debt $______________
Annual debt service $____________
Plans to reduce/eliminate debt ______________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

17. Endowment assets $_____________
Amount available for annual distribution $______________
Restrictions on endowment distributions ______________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

18. Enclosures with the application must include:

- Copy of 501(c)(3) letter from Internal Revenue Service
- Copy of most current IRS Form 990 (if required to file)
- List of current members of Board of Directors and corporate officers
- Copy of current year's interim financial statements, including balance sheet and income statement
- Copy of previous year's audited financial statements, including:
  Statement of Financial Condition (Balance Sheet)
  Statement of Resources and Expenditures (Income Statement)
- Budget information for project for which funds requested

19. Changes in Funding & Data:

Please advise the Gene Conley Foundation in writing, together with documentation, of any changes in funding or data received, from any source, toward the specific grant project. These changes must be received by June 30th or the preceding business day if June 30th is on a weekend. Such data changes may include, but are not limited to, audited financial statements and the Form 990. Please submit the original and 8 copies of any written notices and documentation, again using 3-hole punched letter-size paper.

---

The enclosed information is correct to the best of my knowledge and belief in support of this grant application which has been authorized by the Board of Directors of this organization. I also affirm that no change has occurred in the exempt status, purpose, character or method of operation of the organization subsequent to the issuance of its IRS letter advising that the applicant is a tax-exempt charitable entity.

| Executive Director | Board Chairperson |
|---|---|
| Date______________________ | Date______________________ |
| Signature____________________ | Signature____________________ |
| Printed Name_________________ | Printed Name_________________ |

Schedule 1

REVENUE AND EXPENSES

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2009

| | | | |
|---|---|---|---|
| **REVENUE** | | | |
| Interest on savings and cash investments: | | | |
| Wells Fargo Cash Investment Money | | | |
| Market Fund Service Class Fund 250 | | | $ 1,472.65 |
| Dividends and interest from securities - | | | |
| Sch. 2 | | | 100,198.99 |
| Gross rents: Farm Rental - Hardeman County, Texas | | | 24,592 00 |
| Less: Ad valorem taxes | $ 3,156.94 | | |
| Insurance | 253.50 | | |
| Other | 110.00 | $ 3,520.44 | |
| Net rental income | | $ 21,071.56 | |
| Net gain (loss) from sale of assets - Sch. 3 | | | (384,762.00) |
| Other income: | | | |
| Gross oil & gas royalties - Hardeman County, Texas - Sch. 4 | | | 383,469.00 |
| Total revenue | | | $ 124,970.64 |
| **EXPENSES** | | | |
| Compensation of officers and directors - | | | |
| Sch. 10 | | $ 78,500.20 | |
| Legal fees | | 660.00 | |
| Accounting fees | | 8,650.00 | |
| Taxes: | | | |
| Excise | $ 8,115.01 | | |
| Royalties - gross production | 17,736.52 | | |
| Royalties - ad valorem | 18,748.51 | | |
| Foreign | 1,426.49 | | |
| Farm rental - ad valorem | 3,156.94 | 49,183.47 | |
| Other: | | | |
| Farm rental - insurance | $ 253.50 | | |
| Farm rental - other | 110.00 | | |
| Miscellaneous | 882.60 | 1,246.10 | |
| Contributions - Sch. 5 | | 246,987.00 | 385,226.77 |
| Excess of revenues over expenses | | | $ (260,256.13) |

Schedule 2

DIVIDENDS AND INTEREST FROM SECURITIES

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2009

| | Totals | Ordinary Income | Long Term Capital Gain Distributions |
|---|---|---|---|
| DIVIDENDS | | | |
| Aflac | $ 553 00 | $ 553 00 | $ |
| AT&T | 375 15 | 375 15 | |
| Abbott Laboratories | 308 00 | 308.00 | |
| Allstate | 234 90 | 234 90 | |
| Amphenol | 16 20 | 16 20 | |
| Apache | 40 50 | 40 50 | |
| Baker Hughes | 115 50 | 115 50 | |
| Bank of America Corp | 8.20 | 8.20 | |
| Bank of New York Mellon | 167.85 | 167 85 | |
| Baron Growth Fund | 47 45 | | 47 45 |
| CB Richard Ellis Realty Trust | 1,358 88 | 1,358 88 | |
| CVS/Caremark | 183 61 | 183 61 | |
| Capital One Financial | 99 88 | 99 88 | |
| Chevron | 677 00 | 677 00 | |
| Coca Cola | 164 00 | 164 00 | |
| Cohen & Steers Intl Realty | 499 82 | 499 82 | |
| Columbia Marisco Intl Opp Fd Z | 3,935 83 | 3,935 83 | |
| Comcast | 250 20 | 250 20 | |
| ConocoPhillips | 297 90 | 297 90 | |
| Consol Energy | 45 00 | 45 00 | |
| Deere & Co | 243 60 | 243 60 | |
| Diago PLC Spon Adr New | 310 80 | 310.80 | |
| Disney Walt Company Holding | 115 50 | 115 50 | |
| Dodge & Cox Intl Stock Fund | 2,038 80 | 2,038 80 | |
| Dominion Res | 87 50 | 87 50 | |
| Dow Chemical | 162 00 | 162 00 | |
| Du Pont E I De Nemours | 180 40 | 180 40 | |
| Ecolab | 131 60 | 131 60 | |
| Exelon | 189 00 | 189 00 | |
| Exxon Mobil | 388 60 | 388 60 | |
| FPL Group | 321 31 | 321 31 | |
| General Electric Co | 540 20 | 540 20 | |
| Goldman Sachs Group | 141 17 | 141 17 | |
| Halliburton | 146 70 | 146 70 | |
| Harsco | 127 00 | 127 00 | |
| Hewlett Packard | 88 80 | 88 80 | |
| Honeywell International, Inc | 190 58 | 190 58 | |
| Hussman Strategic Growth Fund | 536 44 | 536 44 | |

-2 Sch 2 - Cont'd. - Gene Conley Foundation - Year 2009

| | Totals | Ordinary Income | Long Term Capital Gain Distributions |
|---|---|---|---|
| Intel Corp | 257 60 | 257 60 | |
| Ishares Barclays Aggregate Bond Fund | 3,537.30 | 3,537.30 | |
| Ishares Russell 1000 Growth | 37.10 | 37.10 | |
| Ishares Tr | 5,120 34 | 5,120.34 | |
| Ishares Tr Cohen & Steers Realty | 2,525 20 | 2,525 20 | |
| Ishares MSCI Eafe Index | 3,835 63 | 3,835 63 | |
| Ishares MSCI Eafe Growth | 284 52 | 284 52 | |
| Ishares Tr Smallcap 600 Index | 667 71 | 667 71 | |
| JP Morgan Chase & Co | 15.75 | 15 75 | |
| Johnson & Johnson | 618 65 | 618 65 | |
| L-3 Communications Hldgs | 210 00 | 210 00 | |
| Microsoft Corp | 301 60 | 301 60 | |
| Midcap SPDR | 1,638 67 | 1,638 67 | |
| Moodys | 120 00 | 120 00 | |
| Pepsico | 266 51 | 266 51 | |
| Petroleo Brasileiro SA | 95 27 | 95.27 | |
| Pfizer | 573 60 | 573 60 | |
| Plum Creek Timber | 1,929 90 | | 1,929.90 |
| Powershares Dynamic Oil Svc Port | 3 92 | 3.92 | |
| Praxair | 108 00 | 108 00 | |
| Precision Castparts | 8 70 | 8 70 | |
| Procter & Gamble | 201 60 | 201.60 | |
| Quest Diagnostics | 31 50 | 31 50 | |
| Schlumberger Ltd | 131 25 | 131 25 | |
| Spdr DL Wilshire International Real | 1,747 36 | 1,747 36 | |
| Sysco | 375 60 | 375 60 | |
| STI Classic Seix High Yield I | 11,759 29 | 11,759 29 | |
| Target Corp | 239 90 | 239 90 | |
| Templeton Global Bond Fund | 12,187.11 | 12,187.11 | |
| Texas Instruments | 119 90 | 119 90 | |
| 3M | 137.70 | 137 70 | |
| Travelers Companies | 388 80 | 388.80 | |
| US Bancorp | 320 25 | 320 25 | |
| United Parcel Service | 171.00 | 171 00 | |
| United Technologies | 236 78 | 236.78 | |
| Valero Energy | 122 25 | 122 25 | |
| Vanguard Intl Equity Index | 1,945 70 | 1,945 70 | |
| Vanguard Small Cap Val Index | 28 15 | 28 15 | |
| Verizon Communications | 289 80 | 289 80 | |
| Visa | 72 99 | 72 99 | |
| Xilinx | 270 20 | 270 20 | |
| Totals - Dividends | $ 68,251 97 | $ 66,274 62 | $ 1,977 35 |

| | Totals | Ordinary Income | Long Term Capital Gain Distributions |
|---|---|---|---|
| INTEREST | | | |
| Corporate interest | | | |
| Berkshire Hathaway | $ 2,108 41 | $ 2,108 41 | $ |
| Boeing | 2,900 00 | 2,900.00 | |
| Caterpillar Fin! Svcs | 4,375.31 | 4,375 31 | |
| Coca Cola | 2,675 00 | 2,675 00 | |
| EI Du Pont De Nemo | 2,173 61 | 2,173 61 | |
| Intl Lease Finance | 1,593 75 | 1,593 75 | |
| International Lease | 2,875 00 | 2,875.00 | |
| Wachovia Bank | 2,317 78 | 2,317 78 | |
| Totals - Corporate interest | $ 21,018 86 | $ 21,018 86 | $ |
| U S government interest. | | | |
| Federal Home Loan Bank | $ 1,631.25 | $ 1,631 25 | $ |
| Federal Home Loan Bank | 2,437.50 | 2,437 50 | |
| Federal Home Loan Mtg | 1,968 76 | 1,968.76 | |
| Federal Home Loan Mtg | 4,250 00 | 4,250 00 | |
| Federal National Mortgage Assn. | 2,500 00 | 2,500 00 | |
| Totals - U S government interest | $ 12,787 51 | $ 12,787 51 | $ |
| Other interest | | | |
| Powershares DB Commodity Index Tracking | $ 118 00 | $ 118 00 | $ |
| Totals - Interest | $ 33,924 37 | $ 33,924 37 | $ |
| Totals - Dividends and interest | $ 102,176 34 | $ 100,198.99 | $ 1,977 35 |

Schedule 3

NET GAIN OR LOSS FROM SALE OF ASSETS

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2009

| Description | Face/ Shares | Date Acquired | Date Sold | Sales Price | Cost or Basis | Gain/ (Loss) |
|---|---|---|---|---|---|---|
| Short term: | | | | | | |
| Abbott Laboratories | 50.00 | 07/08/09 | 09/01/09 | $ 2,252.44 | $ 2,307.91 | $ (55.47) |
| Baker Hughes | 275.00 | 10/10/08 | 07/08/09 | 9,344.75 | 9,853.80 | (509.05) |
| Baron Asset Fd Growth & Income Fd | 1.75 | various | 07/08/09 | 57.30 | 61 68 | (4.38) |
| Carnival | 50.00 | 07/08/09 | 09/01/09 | 1,428.46 | 1,217.91 | 210.55 |
| Coca Cola | 200.00 | 08/07/08 | 07/08/09 | 9,652.11 | 10,843.80 | (1,191.69) |
| Cohen & Steers Intl Rlty Fd | 51.33 | 06/30/09 | 07/08/09 | 460.43 | 481.00 | (20.57) |
| ConocoPhillips | 25.00 | 07/08/09 | 09/01/09 | 1,106.97 | 978.20 | 128.77 |
| Diageo PLC Spon Adr New | 50.00 | 07/08/09 | 09/01/08 | 3,098.42 | 2,815.73 | 282.69 |
| EMC Corp Mass | 225.00 | 07/08/09 | 09/01/09 | 3,512.15 | 2,816.66 | 695.49 |
| Exelon | 180.00 | 10/10/08 | 07/08/09 | 8,668 89 | 8,172.63 | 496.26 |
| Fiserv | 50.00 | 07/08/09 | 09/01/09 | 2,390.43 | 2,208.41 | 182.02 |
| Genentech | 70.00 | 10/10/08 | 03/25/09 | 6,650.00 | 5,000.80 | 1,649.20 |
| Google | 15.00 | 07/22/08 | 07/08/09 | 6,039.14 | 7,101.75 | (1,062.61) |
| Halliburton | 100.00 | 07/08/09 | 09/01/09 | 2,366.94 | 1,861.73 | 505.21 |
| Harsco | 75.00 | 07/08/09 | 09/01/09 | 2,303.94 | 2,028.48 | 275.46 |
| Hewlett Packard | 50.00 | 11/24/08 | 09/01/09 | 2,197.44 | 1,761.13 | 436.31 |
| Intel | 100.00 | 07/08/09 | 09/01/09 | 1,973.94 | 1,596.82 | 377.12 |
| Intercontinentalexhange | 95.00 | 08/07/08 | 07/08/09 | 8,249.58 | 8,212.58 | 37.00 |
| Iron Mtn Inc PA | 100.00 | 07/08/09 | 09/01/09 | 2,848.92 | 2,755.68 | 93.24 |
| Ishares Tr Cohen & Steers Realty | 985.00 | 07/08/09 | 09/01/09 | 43,083.68 | 32,779.57 | 10,304.11 |
| Ishares Tr S & P Small Cap 600 | 425.00 | 07/08/09 | 09/01/09 | 20,845.71 | 17,819.75 | 3,025.96 |
| J P Morgan Chase & Co | 100.00 | 07/08/09 | 09/01/09 | 4,233.04 | 3,254.82 | 978.22 |
| L-3 Communications Hldgs | 50.00 | 07/08/09 | 09/01/09 | 3,744.40 | 3,206.00 | 538.40 |
| Meridian Fund | 70.49 | 12/16/08 | 07/09/09 | 1,880.97 | 1,738.19 | 142.78 |
| Moodys Corp | 100.00 | 07/08/09 | 09/01/09 | 2,656.93 | 2,637.91 | 19.02 |
| Nestle SA Spons Adr | 75.00 | 07/08/09 | 09/01/09 | 3,064.42 | 2,823.00 | 241.42 |
| Novartis Ag Spnsrd Adr | 50 00 | 07/08/09 | 09/01/09 | 2,293.44 | 1,990.82 | 302.62 |
| Petroleo Brasileiro SA Petrobras | 75.00 | 07/08/09 | 09/01/09 | 2,931.67 | 2,630.25 | 301.42 |
| Quest Diagnostics | 50.00 | 07/08/09 | 09/01/09 | 2,647.43 | 2,805.41 | (157.98) |
| Schein Henry | 335.00 | 08/07/08 | 07/08/09 | 14,894.31 | 19,794.11 | (4,899.80) |
| Schlumberger Limited | 50.00 | 10/10/08 | 09/01/09 | 2,750.42 | 2,823.00 | (72.58) |
| United Health Group | 100 00 | 07/08/09 | 09/01/09 | 2,741.07 | 2,418.82 | 322.25 |
| Valero Energy Corp New | 25.00 | 07/08/09 | 09/01/09 | 457.23 | 393.70 | 63.53 |
| Vanguard Selected Value Fund | 104.71 | 12/26/08 | 07/08/09 | 1,278.51 | 1,191.62 | 86.89 |
| Vanguard Sml Cap Val Index | 117.54 | 12/23/08 | 07/08/09 | 1,149.54 | 1,116.66 | 32.88 |
| Vanguard Sml Cap Val Index | 3.56 | 03/20/09 | 07/08/09 | 34.82 | 28.15 | 6.67 |
| Vodafone Group Plc New | 75.00 | 07/08/09 | 09/01/09 | 1,601.20 | 1,397.13 | 204.07 |

| Description | Face/ Shares | Date Acquired | Date Sold | Sales Price | Cost or Basis | Gain/ (Loss) |
|---|---|---|---|---|---|---|
| Cooper Industries Ltd | 50.00 | 07/08/09 | 09/01/09 | 1,631.95 | 1,451.32 | 180.63 |
| PowerShares DB Commodity Index | | | | 884.00 | | 884.00 |
| PowerShares DB Commodity Index - Sec 1256 | | | | 5,253.20 | | 5,253.20 |
| Total - Short Term | | | | $ 194,660.19 | $ 174,376.93 | $ 20,283.26 |
| Long term: | | | | | | |
| Aflac | 75.00 | 10/11/06 | 09/01/09 | $ 2,903.17 | $ 3,428.27 | $ (525.10) |
| AT & T | 305.00 | various | 07/08/09 | 7,152.64 | 12,539.20 | (5,386.56) |
| Affiliated Managers Group | 110.00 | 06/06/08 | 07/08/09 | 5,823.65 | 11,088.00 | (5,264.35) |
| Allstate Corp | 290.00 | various | 07/08/09 | 6,763.14 | 15,946.53 | (9,183.39) |
| Amphenol Corp New | 360.00 | various | 07/08/09 | 11,125.01 | 11,163.04 | (38.03) |
| Apache | 135.00 | various | 07/08/09 | 8,866.81 | 10,598.60 | (1,731.79) |
| Apple Computer | 15.00 | 06/29/07 | 09/01/09 | 2,493.23 | 1,844.55 | 648.68 |
| Autodesk Inc | 330.00 | 05/01/08 | 07/08/09 | 5,663.24 | 12,882.51 | (7,219.27) |
| Baker Hughes | 110.00 | various | 07/08/09 | 3,737.90 | 8,467.90 | (4,730.00) |
| Bank Amer | 410.00 | various | 07/08/09 | 4,723.07 | 20,543.79 | (15,820.72) |
| Bank of New York Mellon | 75.00 | 05/01/08 | 09/01/09 | 2,140.44 | 3,372.95 | (1,232.51) |
| Baron Asset Fd Growth & Income | 1,185.82 | various | 07/08/09 | 38,823.91 | 62,078.94 | (23,255.03) |
| CVS | 50.00 | 06/15/06 | 09/01/09 | 1,846.45 | 1,418.86 | 427.59 |
| Capital One Finl | 235.00 | various | 07/08/09 | 4,726.57 | 18,207.40 | (13,480.83) |
| Chevron | 25.00 | 03/13/03 | 09/01/09 | 1,716.96 | 797.63 | 919.33 |
| Citrix Sys | 235.00 | various | 07/08/09 | 7,199.86 | 8,453.48 | (1,253.62) |
| Cohen & Steers Intl Realty | 4,219.33 | various | 07/08/09 | 37,847.40 | 64,416.09 | (26,568.69) |
| Columbia Fds Ser Tr | 2,083.08 | 08/10/07 | 09/01/09 | 20,435.00 | 32,162.72 | (11,727.72) |
| Comcast Corp New | 100.00 | 06/15/06 | 09/01/09 | 1,512.96 | 2,149.30 | (636.34) |
| Consol Energy | 225.00 | 11/27/07 | 07/08/09 | 6,577.39 | 12,624.30 | (6,046.91) |
| Deere & Co | 290.00 | various | 07/08/09 | 10,303.95 | 17,439.65 | (7,135.70) |
| Disney Company | 50.00 | 05/13/08 | 09/01/09 | 1,287.96 | 1,737.00 | (449.04) |
| Dodge & Cox Fds Intl Stk Fd | 955.91 | 06/20/06 | 09/01/09 | 27,750.01 | 35,445.07 | (7,695.06) |
| Dominion Res Inc Va New | 100.00 | various | 07/08/09 | 3,244.06 | 3,728.20 | (484.14) |
| Dow Chemical | 225.00 | various | 07/08/09 | 3,305.50 | 9,181.15 | (5,875.65) |
| E I Du Pont De Nemours & Co | 220.00 | various | 07/08/09 | 5,315.39 | 9,853.20 | (4,537.81) |
| Ecolab | 50.00 | 06/29/07 | 09/01/09 | 2,109.44 | 2,150.81 | (41.37) |
| Exxon Mobil | 25.00 | 07/09/99 | 09/01/09 | 1,716.20 | 973.66 | 742.54 |
| FPL Group | 50.00 | various | 09/01/09 | 2,796.92 | 2,082.00 | 714.92 |
| Fedeal Home Loan Bank | 50,000.00 | 07/13/99 | 06/17/09 | 50,000.00 | 50,450.71 | (450.71) |
| Federal Home Loan Mtg | 100,000.00 | 02/20/08 | 07/15/09 | 100,000.00 | 102,190.30 | (2,190.30) |
| First Solar | 55.00 | 05/13/08 | 07/08/09 | 8,122.19 | 16,117.75 | (7,995.56) |
| General Electric | 270.00 | various | 07/08/09 | 2,873.21 | 7,235.60 | (4,362.39) |
| General Electric | 15.00 | various | 09/01/09 | 1,997.94 | 5,063.25 | (3,065.31) |
| Genzyme Corp General Division Com Stk | 125.00 | 05/01/08 | 07/08/09 | 6,799.02 | 8,912.14 | (2,113.12) |
| Gilead Sciences | 225.00 | various | 07/08/09 | 10,118.59 | 8,763.77 | 1,354.82 |
| Goldman Sachs Group | 40.00 | 06/29/07 | 07/08/09 | 5,457.45 | 8,655.60 | (3,198.15) |
| Goldman Sachs Group | 15.00 | 06/29/07 | 09/01/09 | 2,429.78 | 3,245.85 | (816.07) |
| Honeywell Intl | 315.00 | various | 07/08/09 | 9,264.48 | 12,165.95 | (2,901.47) |
| Hussman Invt Tr | 4,128.70 | 08/10/07 | 07/08/09 | 54,375.00 | 66,017.94 | (11,642.94) |
| International Lease Fin | 50,000.00 | 06/15/06 | 03/15/09 | 50,000.00 | 50,882.50 | (882.50) |

-3 Sch. 3 - Cont'd - Gene Conley Foundation - Year 2009

| Description | Face/ Shares | Date Acquired | Date Sold | Sales Price | Cost or Basis | Gain/ (Loss) |
|---|---|---|---|---|---|---|
| Ishares MSCI Eafe Index | 470.00 | 02/11/04 | 09/01/09 | 24,190.27 | 22,372.00 | 1,818.27 |
| Ishares Tr Cohen & Steers Realty | 510.00 | various | 09/01/09 | 22,307.28 | 40,351.96 | (18,044.68) |
| Ishares Tr | 110.00 | 10/08/07 | 07/08/09 | 4,316.48 | 6,890.64 | (2,574.16) |
| Ishares Tr | 340.00 | 01/23/08 | 07/08/09 | 14,991.23 | 22,365.20 | (7,373.97) |
| Johnson & Johnson | 50.00 | 10/09/03 | 09/01/09 | 2,992.92 | 2,469.00 | 523.92 |
| MLN Lehman Brothers Holding | 75,000.00 | 02/04/08 | 07/27/09 | 3,750.00 | 75,000.00 | (71,250.00) |
| Meridian Fund | 1,469.40 | various | 07/09/09 | 39,209.72 | 55,829.83 | (16,620.11) |
| Microsoft Corp Com | 150.00 | 07/27/06 | 07/08/09 | 3,349.67 | 3,633.00 | (283.33) |
| Microsoft Corp Com | 100.00 | various | 09/01/09 | 2,400.20 | 2,788.10 | (387.90) |
| Midcap Spdr Tr Unit Ser 1 | 325.00 | various | 09/01/09 | 38,019.21 | 43,997.24 | (5,978.03) |
| Pepsico | 205.00 | various | 07/08/09 | 11,209.48 | 9,250.27 | 1,959.21 |
| Pfizer | 100 00 | 07/27/06 | 09/01/09 | 1,632.95 | 2,558.00 | (925.05) |
| Plum Creek Timber | 105.00 | 07/25/06 | 09/01/09 | 3,054.37 | 3,604.65 | (550.28) |
| Powershares DB Comm Index | 405.00 | various | 09/01/09 | 8,840.92 | 9,641.00 | (800.08) |
| Powershares Exchange Traded Fd | 175.00 | 06/29/07 | 07/08/09 | 2,165.64 | 4,575.62 | (2,409.98) |
| Praxair | 135.00 | 05/01/08 | 07/08/09 | 9,264.96 | 12,202.47 | (2,937.51) |
| Precision Castparts | 145.00 | various | 07/08/09 | 10,014.15 | 15,667.12 | (5,652.97) |
| Procer & Gamble | 240.00 | various | 07/08/09 | 12,540.10 | 13,764.13 | (1,224.03) |
| STI Classic Seix High Yield | 676 74 | 08/27/08 | 09/01/09 | 5,935.00 | 6,517.00 | (582.00) |
| Sysco | 70 00 | 06/15/06 | 09/01/09 | 1,773.75 | 2,104.90 | (331.15) |
| Target | 50.00 | 02/07/05 | 09/01/09 | 2,338.93 | 2,579.00 | (240.07) |
| Templeton Global Bond Fund | 4,905.09 | various | 07/08/09 | 57,880.00 | 53,014.35 | 4,865.65 |
| Templeton Global Bond Fund | 655.78 | 08/09/05 | 09/01/09 | 7,934.99 | 6,925.08 | 1,009.91 |
| Texas Instruments | 545.00 | various | 07/08/09 | 11,053.13 | 15,793.05 | (4,739.92) |
| Thermo Electron | 195.00 | various | 07/08/09 | 7,408.90 | 11,011.80 | (3,602.90) |
| 3M Co | 135.00 | various | 07/08/09 | 7,862.68 | 10,080.75 | (2,218.07) |
| Tractor Supply | 30.00 | 06/15/06 | 09/01/09 | 1,377.86 | 1,534.50 | (156.64) |
| Travelers Cos Inc | 40.00 | 06/15/06 | 07/08/09 | 1,541.96 | 1,742.40 | (200.44) |
| Travelers Cos Inc | 75.00 | 06/15/06 | 09/01/09 | 3,717.65 | 3,266.99 | 450.66 |
| US Bancorp Del | 610.00 | various | 07/08/09 | 9,937.74 | 19,177.40 | (9,239.66) |
| United Parcel Svc Inc Cl B | 190.00 | various | 07/08/09 | 9,002.30 | 13,233.90 | (4,231.60) |
| United Technologies | 25.00 | 05/01/08 | 09/01/09 | 1,475.46 | 1,861.78 | (386.32) |
| Vanguard Selected Value Fund | 2,857.61 | various | 07/08/09 | 34,891.47 | 60,552.62 | (25,661.15) |
| Vanguard Intl Equity Index Fd | 465.00 | 08/12/08 | 09/01/09 | 16,066.54 | 19,700.65 | (3,634.11) |
| Vanguard Sml Cap Index | 3,904 42 | various | 07/08/09 | 38,185.31 | 64,788.57 | (26,603.26) |
| Verizon Communications | 210.00 | various | 07/08/09 | 6,005.84 | 8,572.89 | (2,567.05) |
| Visa Inc Cl A | 25.00 | 08/07/08 | 09/01/09 | 1,763.70 | 1,760.75 | 2.95 |
| Wachovia Bk Natl Assn Medium | 50,000.00 | 01/29/08 | 07/08/09 | 48,080.00 | 50,765.50 | (2,685.50) |
| Xilinx | 965.00 | various | 07/08/09 | 18,461.71 | 22,766.95 | (4,305.24) |
| PowerShares DB Commodity Index | | | | | 2,682.00 | (2,682.00) |
| PowerShares DB Commodity Index - Sec 1256 | | | | 7,879.80 | | 7,879.80 |
| Class action settlement proceeds - Various | | | | 676.45 | | 676.45 |
| Capital gain distributions - Sch. 2 | | | | | | 1,977.35 |
| Totals - Long term | | | | $1,056,846.61 | $ 1,463,869.22 | $(405,045.26) |
| Totals - Combined | | | | $1,251,506.80 | $ 1,638,246.15 | $(384,762 00) |

Schedule 4

OTHER INCOME - OIL & GAS ROYALTIES

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2009

| | Income | Expenses | | | |
|---|---|---|---|---|---|
| Lease | Gross Sales | Gross Production Taxes | Other Taxes and Fees | Total | Net Income |
| C G Conley | $ 171,515.59 | $ 7,950.32 | $ 6,034.04 | $ 13,984.36 | $ 157,531.23 |
| C G Conley A | 8,890.77 | 414.35 | 1,010.01 | 1,424.36 | 7,466.41 |
| C G Conley B | 3,653.30 | 168.67 | 479.89 | 648.56 | 3,004.74 |
| Ms Betty #3 | 199,409.34 | 9,203.18 | 11,224.57 | 20,427 75 | 178,981.59 |
| Totals | $ 383,469.00 | $ 17,736.52 | $ 18,748.51 | $ 36,485.03 | $ 346,983.97 |

Schedule 4A

COST DEPLETION

GENE CONLEY FOUNDATION - TIN 75-6032988

Year 2009

| | Basis | | | Accumulated Depletion | | | |
|---|---|---|---|---|---|---|---|
| Lease | Balance 01-01-09 | Acquired (Retired) | Balance 12-31-09 | Reserve 01-01-09 | Cost | Credits | Reserve 12-31-09 |
| C G Conley | $ 97,153.92 | $ | $ 97,153.92 | $ 97,153.92 | $ | $ | $ 97,153.92 |
| C G Conley A | 8,307.72 | | 8,307.72 | 8,307.72 | | | 8,307.72 |
| C G Conley D | 3,165.12 | | 3,165.12 | 3,165.12 | | | 3,165.12 |
| C G Conley B | 3,944.16 | | 3,944.16 | 3,944.16 | | | 3,944.16 |
| Ms Betty #3 | 8,550.00 | | 8,550.00 | 8,550.00 | | | 8,550.00 |
| Totals | $ 121,120.92 | $ | $ 121,120.92 | $ 121,120.92 | $ | $ | $ 121,120.92 |

Schedule 5

CONTRIBUTIONS

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2009

| Name and Address | Purpose | Amount |
|---|---|---|
| Northwest Texas Council Boy Scouts of America<br>3604 Maplewood<br>Wichita Falls, TX 76308 | Recruiting and marketing campaign<br>Direct operations | $ 25,000 00<br>15,000 00 |
| Texas Scottish Rite Hospital for Children - Dallas<br>2222 Welborn Street<br>Dallas, TX 75219 | Orthopedic braces | 5,000 00 |
| American Red Cross of North Central Texas<br>1809 Fifth Street<br>Wichita Falls, TX 76301 | Disaster relief and life vests | 15,000 00 |
| Boys & Girls Clubs of Vernon, Inc.<br>P O Box 1785<br>Vernon, TX 76385-1785 | Summer Program | 30,000 00 |
| Camp Fire USA - North Texas Council<br>2414 9th Street<br>Wichita Falls, TX 76301 | Special Services Program for<br>"At Risk" Youth | 20,000 00 |
| Child Advocates<br>808 Austin St<br>Wichita Falls, TX 76301 | Salary expense -<br>Program Director | 8,000 00 |
| Child Care, Inc<br>1000 Lamar Street<br>Wichita Falls, TX 76301 | Children's furniture at MLK Center | 2,500 00 |
| Community Healthcare Center<br>200 Martin Luther King Jr Blvd<br>Wichita Falls, TX 76301 | Purchase of specialized<br>endo-vaginal ulrasound probe | 8,900 00 |
| 4 Kidz Sake of Wichita Falls<br>919 Indiana Avenue<br>Wichita Falls, TX 76301 | Encore Theatre for Kidz | 3,000 00 |
| Habitat for Humanity of Wichita Falls<br>1206 Lamar<br>Wichita Falls, TX 76301 | Habitat House built with<br>WFISD Carrigan Students | 5,000.00 |
| Inheritance Adoptions<br>624 Indiana, Suite 308<br>Wichita Falls, TX 76301 | Healthy Beginnings Program | 5,000 00 |

| Name and Address | Purpose | Amount |
|---|---|---|
| Loving Christian Maternity Home<br>P.O. Box 3694<br>Wichita Falls, TX 76301 | Funding for Houses and Services<br>for Pregnant Women and Newborn<br>Babies in Crisis Situations | 5,000 00 |
| Nonprofit Management Center of Wichita Falls<br>2301 Kell Blvd Suite 218<br>Wichita Falls, TX 76308 | Community Services Project<br>for Teenagers | 7,500.00 |
| Southside Girls Club, Inc<br>1205 Montgomery Street<br>Wichita Falls, TX 76302 | Sewing program, school age fitness<br>program, scholarship assistance | 8,300 00 |
| Three Rivers Foundation for Arts and Sciences<br>P.O Box 79<br>Crowell, TX 79227 | Science Teacher's/Amateur Astronomer<br>Workshops and Four Educational<br>Programs | 44,787 00 |
| Vernon Regional Junior College<br>4400 College Drive<br>Vernon, TX 76384 | New Beginnings Programs to provide<br>Child Care fo Economically Disadvan-<br>taged Parents Attending School | 15,000 00 |
| Wichita County Teen Court (Boys Club of Wichita Falls)<br>600 Scott Street, Suite 201<br>Wichita Falls, TX 76301 | Support of the Jr. Bar program | 5,000 00 |
| Wichita Falls Area Food Bank<br>1230 Midwestern Parkway<br>Wichita Falls, TX 76302 | PowerPack 4 Kids Backpack Program | 12,000 00 |
| Wichita Falls Ballet Theatre<br>3412 Buchanan<br>Wichita Falls, TX 76308 | "Afternoon with the Arts" for children<br>of WFISD | 2,000 00 |
| Wichita Falls Symphony Orchestra<br>1300 Lamar<br>Wichita Falls, TX 76301 | "Stories in Music" presented to<br>WFISD elementary schools | 1,500 00 |
| | "Young Audience Program" presented<br>to Boys and Girls Clubs | 1,500 00 |
| Wichita Falls Youth Symphony Orchestra<br>1300 Lamar<br>Wichita Falls, TX 76301 | Purchase of Oboe | 2,000 00 |
| Total | | $ 246,987 00 |

Note
Foundation Status of recipients:
All are 501(c)(3) public charities

Schedule 6

BALANCE SHEETS

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2009

| | | Cost | Current Value |
|---|---|---|---|
| ASSETS | | | |
| Cash - non-interest bearing | | $ 5,276.52 | $ 5,276.52 |
| Savings and temporary cash investments: | | | |
| Wells Fargo Cash Investment Money Market Fund Service Class Fund Number 250 | | 404,044.60 | 404,044.60 |
| Accounts receivable | | 3,910.82 | 3,910.82 |
| Prepaid excise tax | | 1,484.99 | 1,484.99 |
| Investments - Securities: | | | |
| U. S. & state government obligations - Sch. 7 | $ 139,353 04 | | 144,795.90 |
| Corporate stocks and mutual funds - Sch. 8 | 3,135,241.34 | | 3,342,586.78 |
| Corporate bonds - Sch. 9 | 329,098 75 | 3,603,693.13 | 341,681.75 |
| Investments - Land, buildings and equipment: | | | |
| Land & improvements | $ 402,934.10 | | |
| Stock tank | 175.00 | | |
| Less: Accumulated depreciation | (175.00) | 402,934.10 | 1,325,720.00 |
| Investments - Other: | | | |
| Nonproducing mineral leaseholds | $ 34,023.00 | | 12.00 |
| Producing mineral leaseholds | 121,120 92 | | 1,576,306.22 |
| Less: Accumulated depletion | (121,120.92) | 34,023.00 | |
| Other assets: | | | |
| 1/2 interest - 2 Cemetery lots | | 1.00 | 1.00 |
| Accrued income | | | |
| Total assets | | $ 4,455,368.16 | $ 7,145,820.58 |
| LIABILITIES AND EQUITY | | | |
| Liabilities: | | | |
| Accounts Payable - Excise tax | | $ | |
| Equity: | | | |
| Principal fund | $ 1,091,276.98 | | |
| Retained earnings | 3,364,091.18 | 4,455,368.16 | |
| Total liabilities and equity | | $ 4,455,368.16 | |

Schedule 7

INVESTMENT IN BONDS

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2009

| | Rate | Maturity Date | Par Value | Cost | Current Value |
|---|---|---|---|---|---|
| U. S and State Government Obligations: | | | | | |
| Federal Home Loan Bank | 4.875% | 11-18-11 | $ 50,000.00 | $ 51,796.10 | $ 53,406.50 |
| Federal Home Loan Mtg. Corp. | 5.625% | 03-15-11 | 35,000.00 | 35,660.84 | 37,045.40 |
| Federal National Mtg. Assn | 5.000% | 03-15-16 | 50,000.00 | 51,896.10 | 54,344.00 |
| Totals - U. S. and State Government Obligations | | | $ 135,000.00 | $ 139,353.04 | $ 144,795 90 |

Schedule 8

INVESTMENT IN MUTUAL FUNDS AND CORPORATE STOCK

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2009

| | Shares | Cost | Current Value |
|---|---|---|---|
| Corporate stock: | | | |
| Carnival | 390 | $ 9,499.70 | $ 12,359.10 |
| Comcast | 1,395 | 25,639.86 | 23,519.70 |
| Target | 450 | 20,583.29 | 21,766.50 |
| Tractor Supply | 270 | 13,303.90 | 14,301.90 |
| Walt Disney | 710 | 19,281.03 | 22,897.50 |
| CVS/Caremark | 725 | 22,211.35 | 23,352.25 |
| Diageo PLC | 215 | 12,107.64 | 14,923.15 |
| Nestle SA Registered Shares | 445 | 17,126.20 | 21,999.25 |
| Sysco | 485 | 12,867.15 | 13,550.90 |
| Chevron | 275 | 17,065.51 | 21,172.25 |
| Conocophillips | 295 | 11,542.82 | 15,065.65 |
| Exxon Mobil | 250 | 12,419.82 | 17,047.50 |
| Halliburton | 765 | 14,242.23 | 23,018.85 |
| Petroleo Brasileiro SA | 425 | 14,904 75 | 20,264.00 |
| Schlumberger Ltd | 140 | 7,579.95 | 9,112.60 |
| Valero Energy | 395 | 6,220.54 | 6,616.25 |
| Aflac | 520 | 21,906 79 | 24,050.00 |
| Bank New York Mellon | 345 | 13,395.84 | 9,649.65 |
| Goldman Sachs Group | 60 | 11,351.25 | 10,130.40 |
| JPMorgan Chase & Co | 315 | 10,252.68 | 13,126.05 |
| Moody's | 550 | 14,508.51 | 14,740.00 |
| Travelers Companies | 260 | 12,041.53 | 12,963.60 |
| Abbott Labs | 360 | 16,616.95 | 19,436.40 |
| Johnson & Johnson | 330 | 18,291.15 | 21,255.30 |
| Novartis AG | 235 | 9,356.85 | 12,791.05 |
| Pfizer | 820 | 17,583.00 | 14,915.80 |
| Quest Diagnostics | 315 | 17,674.08 | 19,019.70 |
| Unitedhealth Group | 495 | 11,973.16 | 15,087.60 |
| Cooper Industries PLC | 425 | 12,336.22 | 18,122.00 |
| General Electric | 290 | 10,449.80 | 4,387.70 |

| | Shares | Cost | Current Value |
|---|---|---|---|
| Harsco | 280 | 7,572.99 | 9,024.40 |
| Iron Mountain | 620 | 17,085.22 | 14,111.20 |
| L-3 Communications | 275 | 17,633.00 | 23,911.25 |
| United Technologies | 145 | 10,297.89 | 10,064.45 |
| Apple | 165 | 20,282.11 | 34,770.78 |
| EMC Corp Mass | 795 | 9,952.21 | 13,888.65 |
| Fiserv | 300 | 13,250.46 | 14,544.00 |
| Google | 30 | 14,203.50 | 18,599.40 |
| Hewlett Packard | 450 | 16,392.09 | 23,179.50 |
| Intel | 870 | 13,892.33 | 17,748.00 |
| Microsoft | 430 | 12,777.35 | 13,106.40 |
| VIsa | 210 | 13,232.65 | 18,366.60 |
| Ecolab | 265 | 10,934.71 | 11,813.70 |
| Vodafone Group Plc | 595 | 11,083.90 | 13,738.55 |
| FPL Group | 240 | 12,958.13 | 12,676.80 |
| Totals - Corporate Stocks | | $ 635,882.09 | $ 740,186.28 |
| Mutual Funds: | | | |
| Columbia Marisco International | 12,459 | $ 173,735.50 | $ 133,061.56 |
| Dodge & Cox International Stock Fund | 4,207 | 144,780.01 | 133,995.50 |
| Ishares Barclays Aggregate Bond Fund | 1,915 | 196,851.59 | 197,608.85 |
| Ishares Iboxx $ Investment Grade | 1,945 | 196,718.68 | 202,571.75 |
| Ishares MSCI Eafe | 2,355 | 123,052.60 | 130,184.40 |
| Ishares Tr SmallCap 600 Index Fund | 2,250 | 94,339.88 | 123,120.00 |
| Midcap SPDR | 1,567 | 156,578.92 | 206,436.58 |
| Vanguard Emerging Markets | 3,195 | 120,303.82 | 130,995.00 |
| Hussman Strategic Growth Fund | 31,931 | 485,784.39 | 408,079.69 |
| Ishares Comex Gold Trust | 770 | 63,994.01 | 82,674.90 |
| Powershares DB Commodity Index | 5,205 | 121,588.12 | 128,147.10 |
| Plum Creek Timber | 1,315 | 42,041.52 | 49,654.40 |
| CB Richard Ellis Realty Trust | 9,783 | 83,415.21 | 97,826.09 |
| Ridgeworth Seix High Yield Bond Fund | 18,114 | 167,598.00 | 168,094.55 |
| Ishares Tr Cohen & Steers Realty Majors Index Fund | 2,135 | 71,050.14 | 112,130.20 |
| Spdr DJ Wilshire International Real Estate | 1,770 | 50,355.81 | 61,755.30 |
| Templeton Global Bond Fund | 18,602 | 207,171.05 | 236,064.63 |
| Totals - Mutual Funds | | $ 2,499,359.25 | $ 2,602,400.50 |
| Totals - Combined | | $ 3,135,241.34 | $ 3,342,586.78 |

Schedule 9

INVESTMENT IN BONDS

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2009

| | Rate | Maturity Date | Par Value | Cost | Current Value |
|---|---|---|---|---|---|
| Coporate Bonds: | | | | | |
| Berkshire Hathaway Fin | 4.850% | 01-15-15 | $ 50,000.00 | $ 50,244.50 | $ 53,532.00 |
| Boeing Cap | 5.800% | 01-15-13 | 50,000.00 | 50,282.00 | 54,450.00 |
| Caterpillar Fin Serv | 5.850% | 09-01-17 | 75,000.00 | 77,396.25 | 80,036.25 |
| Coca-Cola | 5 350% | 11-15-17 | 50,000.00 | 50,865.00 | 53,861.00 |
| E I Du Pont De Nemours | 5.000% | 07-15-13 | 50,000.00 | 50,545.00 | 53,862 50 |
| International Lease Fin | 5.750% | 06-15-11 | 50,000.00 | 49,766.00 | 45,940.00 |
| Totals - Corporate Bonds | | | $ 325,000.00 | $ 329,098.75 | $ 341,681.75 |

Schedule 10

LIST OF OFFICERS, DIRECTORS, TRUSTEES, FOUNDATION MANAGERS
AND THEIR COMPENSATION

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2009

| Name and Address | Title & Average Hours Devoted to Position | Compensation |
|---|---|---|
| Wells Fargo Bank, N.A.<br>2301 Kell Boulevard<br>Wichita Falls, Texas 76308 | Trustee<br>5 Hrs/Wk | $ 75,000.20 |
| Mac Cannedy<br>2301 Kell Boulevard<br>Wichita Falls, Texas 76308 | Advisory Board Member<br>10-20 Hrs/Yr | 500.00 |
| Bill Daniel<br>2301 Kell Boulevard<br>Wichita Falls, Texas 76308 | Advisory Board Member<br>10-20 Hrs/Yr | 500.00 |
| Steve McSpadden<br>2301 Kell Boulevard<br>Wichita Falls, Texas 76308 | Advisory Board Member<br>10-20 Hrs/Yr | 500.00 |
| David Ramsey<br>2301 Kell Boulevard<br>Wichita Falls, Texas 76308 | Advisory Board Member<br>10-20 Hrs/Yr | 500.00 |
| Joseph N Sherrill, Jr.<br>2301 Kell Boulevard<br>Wichita Falls, Texas 76308 | Advisory Board Member<br>10-20 Hrs/Yr | 500.00 |
| Chris Travelstead<br>2301 Kell Boulevard<br>Wichita Falls, Texas 76308 | Advisory Board Member<br>10-20 Hrs/Yr | 500.00 |
| Barry Plaxco<br>2301 Kell Boulevard<br>Wichita Falls, Texas 76308 | Advisory Board Member<br>10-20 Hrs/Yr | 500.00 |
| Total | | $ 78,500.20 |