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Form **990-PF**

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

OMB No 1545-0052

2011

Department of the Treasury
Internal Revenue Service

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

For calendar year 2011 or tax year beginning 07/01/11, and ending 06/30/12

| | | | | | | | | | | | | | | |
|---|--|--|----------------|--------------------------|--------------|--------------------------|----------------|--------------------------|---|--------------------------|----------------|--------------------------|-------------|--|
| Name of foundation Clifford Foundation, Inc. | | A Employer identification number 75-2506394 | | | | | | | | | | | | |
| Number and street (or P O box number if mail is not delivered to street address) P. O. Box 1001 | Room/suite | B Telephone number (see instructions) 903-874-4725 | | | | | | | | | | | | |
| City or town, state, and ZIP code Corsicana TX 75151 | | C If exemption application is pending, check here <input type="checkbox"/> | | | | | | | | | | | | |
| G Check all that apply. <table style="display: inline-table; vertical-align: top; margin-right: 20px;"> <tr><td><input type="checkbox"/></td><td>Initial return</td></tr> <tr><td><input type="checkbox"/></td><td>Final return</td></tr> <tr><td><input type="checkbox"/></td><td>Address change</td></tr> </table> <table style="display: inline-table; vertical-align: top;"> <tr><td><input type="checkbox"/></td><td>Initial return of a former public charity</td></tr> <tr><td><input type="checkbox"/></td><td>Amended return</td></tr> <tr><td><input type="checkbox"/></td><td>Name change</td></tr> </table> | | <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"/> |
| <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 | | | | | | | | | | | | | |
| 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) \$ 3,453,459 | J Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) | F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/> | | | | | | | | | | | | |

| Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions)) | | (a) Revenue and expenses per books | (b) Net investment income | (c) Adjusted net income | (d) Disbursements for charitable purposes (cash basis only) |
|--|--|------------------------------------|---------------------------|-------------------------|---|
| Revenue | 1 Contributions, gifts, grants, etc., received (attach schedule) | 191,352 | | N/A | |
| | 2 Check <input 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 | 156,759 | 156,759 | | |
| | 5a Gross rents | | | | |
| | b Net rental income or (loss) | | | | |
| | 6a Net gain or (loss) from sale of assets not on line 10 | -28,554 | | | |
| | b Gross sales price for all assets on line 6a 309,800 | | | | |
| | 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 & 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 | 319,557 | 156,759 | | | |
| Operating and Administrative Expenses | 13 Compensation of officers, directors, trustees, etc. | 0 | | | |
| | 14 Other employee salaries and wages | | | | |
| | 15 Pension plans, employee benefits | | | | |
| | 16a Legal fees (attach schedule) | | | | |
| | b Accounting fees (attach schedule) Stmt 1 | 1,070 | 535 | | 535 |
| | c Other professional fees (attach schedule) | | | | |
| | 17 Interest | | | | |
| | 18 Taxes (attach schedule) (see instructions) Stmt 2 | 4,494 | | | |
| | 19 Depreciation (attach schedule) and depletion | | | | |
| | 20 Occupancy | | | | |
| | 21 Travel, conferences, and meetings | | | | |
| | 22 Printing and publications | | | | |
| | 23 Other expenses (attach schedule) Stmt 3 | 1,332 | 650 | | 682 |
| | 24 Total operating and administrative expenses. Add lines 13 through 23 | 6,896 | 1,185 | | 1,217 |
| 25 Contributions, gifts, grants paid | 118,049 | | | 118,049 | |
| 26 Total expenses and disbursements. Add lines 24 and 25 | 124,945 | 1,185 | | 119,266 | |
| 27 Subtract line 26 from line 12: | | | | | |
| a Excess of revenue over expenses and disbursements | 194,612 | | | | |
| b Net investment income (if negative, enter -0-) | | 155,574 | | | |
| c Adjusted net income (if negative, enter -0-) | | | | | |

For Paperwork Reduction Act Notice, see instructions.

Form **990-PF** (2011)

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

| | | Beginning of year | End of year | | |
|------------------------------------|--|---|----------------|-----------------------|-----------|
| | | (a) Book Value | (b) Book Value | (c) Fair Market Value | |
| Assets | 1 | Cash—non-interest-bearing | | | |
| | 2 | Savings and temporary cash investments | 309,091 | 371,036 | 371,036 |
| | 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 | | | |
| | 10a | Investments—U S and state government obligations (attach schedule) | | | |
| | b | Investments—corporate stock (attach schedule) See Stmt 4 | 415,947 | 676,855 | 877,784 |
| | c | Investments—corporate bonds (attach schedule) See Stmt 5 | 655,830 | 516,443 | 560,181 |
| | 11 | Investments—land, buildings, and equipment basis ▶ Less: accumulated depreciation (attach sch) ▶ | | | |
| | 12 | Investments—mortgage loans | 1,634,546 | 1,644,458 | 1,644,458 |
| | 13 | Investments—other (attach schedule) | | | |
| | 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) | 3,015,414 | 3,208,792 | 3,453,459 | |
| Liabilities | 17 | Accounts payable and accrued expenses | 250 | | |
| | 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 ▶ See Statement 6) | 45,552 | 44,568 | |
| | 23 | Total liabilities (add lines 17 through 22) | 45,802 | 44,568 | |
| Net Assets or Fund Balances | Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ <input checked="" type="checkbox"/> | | | | |
| | 24 | Unrestricted | 2,969,612 | 3,164,224 | |
| | 25 | Temporarily restricted | | | |
| | 26 | Permanently restricted | | | |
| | Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input type="checkbox"/> | | | | |
| | 27 | Capital stock, trust principal, or current funds | | | |
| | 28 | Paid-in or capital surplus, or land, bldg., and equipment fund | | | |
| | 29 | Retained earnings, accumulated income, endowment, or other funds | | | |
| | 30 | Total net assets or fund balances (see instructions) | 2,969,612 | 3,164,224 | |
| 31 | Total liabilities and net assets/fund balances (see instructions) | 3,015,414 | 3,208,792 | | |

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 | 2,969,612 |
| 2 | Enter amount from Part I, line 27a | 2 | 194,612 |
| 3 | Other increases not included in line 2 (itemize) ▶ | 3 | |
| 4 | Add lines 1, 2, and 3 | 4 | 3,164,224 |
| 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 30 | 6 | 3,164,224 |

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 Lehman Brothers | P | 05/09/08 | 07/13/11 |
| b Fauquier Bank CD | P | 02/12/10 | 02/13/12 |
| c Genworth Financial | P | 03/20/08 | 06/15/12 |
| 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 9,800 | | 39,993 | -30,193 |
| b 200,000 | | 200,000 | |
| c 100,000 | | 98,361 | 1,639 |
| 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 | | | -30,193 |
| b | | | |
| c | | | 1,639 |
| 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 | -28,554 |
| 3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8 | | 3 | |

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

Yes No

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

1 Enter the appropriate amount in each column for each year; see 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)) |
|---|---------------------------------------|---|--|
| 2010 | 130,975 | 2,812,286 | 0.046572 |
| 2009 | 170,357 | 2,650,995 | 0.064262 |
| 2008 | 163,424 | 2,296,648 | 0.071158 |
| 2007 | 138,285 | 2,337,387 | 0.059162 |
| 2006 | 116,218 | 2,283,299 | 0.050899 |

| | | |
|---|----------|------------------|
| 2 Total of line 1, column (d) | 2 | 0.292053 |
| 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 | 0.058411 |
| 4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5 | 4 | 3,339,759 |
| 5 Multiply line 4 by line 3 | 5 | 195,079 |
| 6 Enter 1% of net investment income (1% of Part I, line 27b) | 6 | 1,556 |
| 7 Add lines 5 and 6 | 7 | 196,635 |
| 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 | 119,266 |

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 <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions) | | |
| b | Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b | 1 | 3,111 |
| c | All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b). | | |
| 2 | Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-) | 2 | 0 |
| 3 | Add lines 1 and 2 | 3 | 3,111 |
| 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 | 3,111 |
| 6 | Credits/Payments: | | |
| a | 2011 estimated tax payments and 2010 overpayment credited to 2011 | 6a | 3,040 |
| 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 | 3,040 |
| 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 | 71 |
| 10 | Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid | 10 | |
| 11 | Enter the amount of line 10 to be: Credited to 2012 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/> | 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 page 19 of the instructions for definition)? If the answer is "Yes" to 1a or 1b , attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities | | 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? | N/A | |
| 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 2011 or the taxable year beginning in 2011 (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) | 11 | | X |
| 12 | Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions) | 12 | | X |
| 13 | Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A | 13 | X | |
| 14 | The books are in care of ▶ C. L. Brown III 319 West 7th Ave | Telephone no. ▶ 903-874-4725 | | |
| | 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 2011, 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? See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ▶ | 16 | Yes | No X |

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

| | | Yes | No |
|----|---|------------------------------|--|
| 1a | During the year did the foundation (either directly or indirectly): | | |
| | (1) Engage in the sale or exchange, or leasing of property with a disqualified person? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| | (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| | (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| | (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| | (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| | (6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| b | If any answer is "Yes" to 1a(1)-(6), did 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 | N/A | |
| 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 2011? | N/A | |
| 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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? If "Yes," list the years ▶ 20 , 20 , 20 , 20 | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| b | Are there any years listed in 2a for which the foundation is 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 | |
| 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? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| b | If "Yes," did it have excess business holdings in 2011 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 2011) | N/A | |
| 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 2011? | 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)? (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)? Yes No **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? Yes No **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? Yes No **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 (see instructions).

| (a) Name and address | (b) Title, and average hours per week devoted to position | (c) Compensation (if not paid, enter -0-) | (d) Contributions to employee benefit plans and deferred compensation | (e) Expense account, other allowances |
|----------------------|---|---|---|---------------------------------------|
| See Statement 7 | | | | |
| | | | | |
| | | | | |
| | | | | |

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 Ten scholarships were paid on behalf of individuals during the year. |
| 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 | 1,508,126 |
| b | Average of monthly cash balances | 1b | 277,454 |
| c | Fair market value of all other assets (see instructions) | 1c | 1,605,038 |
| d | Total (add lines 1a, b, and c) | 1d | 3,390,618 |
| 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 | 3,390,618 |
| 4 | Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions) | 4 | 50,859 |
| 5 | Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4 | 5 | 3,339,759 |
| 6 | Minimum investment return. Enter 5% of line 5 | 6 | 166,988 |

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 | 166,988 |
| 2a | Tax on investment income for 2011 from Part VI, line 5 | 2a | 3,111 |
| b | Income tax for 2011. (This does not include the tax from Part VI.) | 2b | |
| c | Add lines 2a and 2b | 2c | 3,111 |
| 3 | Distributable amount before adjustments. Subtract line 2c from line 1 | 3 | 163,877 |
| 4 | Recoveries of amounts treated as qualifying distributions | 4 | |
| 5 | Add lines 3 and 4 | 5 | 163,877 |
| 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 | 163,877 |

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 | 119,266 |
| 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 | 119,266 |
| 5 | Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions) | 5 | 0 |
| 6 | Adjusted qualifying distributions. Subtract line 5 from line 4 | 6 | 119,266 |

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 2010 | (c) 2010 | (d) 2011 |
|---|----------------|----------------------------|-------------|----------------|
| 1 Distributable amount for 2011 from Part XI, line 7 | | | | 163,877 |
| 2 Undistributed income, if any, as of the end of 2011 | | | | |
| a Enter amount for 2010 only | | | | |
| b Total for prior years 20____, 20____, 20____ | | | | |
| 3 Excess distributions carryover, if any, to 2011: | | | | |
| a From 2006 | 4,477 | | | |
| b From 2007 | 24,875 | | | |
| c From 2008 | 51,342 | | | |
| d From 2009 | 40,863 | | | |
| e From 2010 | | | | |
| f Total of lines 3a through e | 121,557 | | | |
| 4 Qualifying distributions for 2011 from Part XII, line 4: ► \$ 119,266 | | | | |
| a Applied to 2010, but not more than line 2a | | | | |
| b Applied to undistributed income of prior years (Election required—see instructions) | | | | |
| c Treated as distributions out of corpus (Election required—see instructions) | | | | |
| d Applied to 2011 distributable amount | | | | 119,266 |
| e Remaining amount distributed out of corpus | | | | |
| 5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a)) | 44,611 | | | 44,611 |
| 6 Enter the net total of each column as indicated below: | | | | |
| a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5 | 76,946 | | | |
| 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 2010. Subtract line 4a from line 2a. Taxable amount—see instructions | | | | |
| f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012 | | | | 0 |
| 7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions) | | | | |
| 8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions) | | | | |
| 9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a | 76,946 | | | |
| 10 Analysis of line 9. | | | | |
| a Excess from 2007 | | | | |
| b Excess from 2008 | 36,083 | | | |
| c Excess from 2009 | 40,863 | | | |
| d Excess from 2010 | | | | |
| e Excess from 2011 | | | | |

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling

b Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

| | Tax year | Prior 3 years | | | (e) Total |
|--|----------|---------------|----------|----------|-----------|
| | (a) 2011 | (b) 2010 | (c) 2009 | (d) 2008 | |
| 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))
See Statement 8

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. (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:
C. L. Brown, III 903-874-4725
P.O. Box 1001 Corsicana TX 75151

b The form in which applications should be submitted and information and materials they should include:
See attached application

c Any submission deadlines:
APRIL 1

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors
See Statement 9

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 See Statement 10 | | | | 118,049 |
| Total | | | ▶ 3a | 118,049 |
| b Approved for future payment See Statement 11 | | | | 299,500 |
| Total | | | ▶ 3b | 299,500 |

Schedule of Contributors

2011

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

Name of the organization

Employer identification number

Clifford Foundation, Inc.

75-2506394

Organization type (check one)

Filers of:

Section:

Form 990 or 990-EZ

501(c)() (enter number) organization

4947(a)(1) nonexempt charitable trust not treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use exclusively for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year

▶ \$

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on Part I, line 2, of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization

Clifford Foundation, Inc.

Employer identification number

75-2506394

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

| (a) No. | (b) Name, address, and ZIP + 4 | (c) Total contributions | (d) Type of contribution |
|------------|---|----------------------------|--|
| 1 | C.L. Brown III P.O. Box 1001 Corsicana TX 75151 | \$ 191,352 | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |

| | |
|--|---|
| Name of organization Clifford Foundation, Inc. | Employer identification number 75-2506394 |
|--|---|

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
|---------------------------|--|--|----------------------|
| 1 | Note Receivable | \$ 119,918 | 02/01/12 |
| 1 | Note Receivable | \$ 71,434 | 03/01/12 |
| | | \$ | |
| | | \$ | |
| | | \$ | |
| | | \$ | |
| | | \$ | |

Federal Statements

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

| Description | Total | Net Investment | Adjusted Net | Charitable Purpose |
|-----------------|----------|----------------|--------------|--------------------|
| Accounting Fees | \$ 1,070 | \$ 535 | \$ | \$ 535 |
| Total | \$ 1,070 | \$ 535 | \$ 0 | \$ 535 |

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

| Description | Total | Net Investment | Adjusted Net | Charitable Purpose |
|-------------|----------|----------------|--------------|--------------------|
| 990 PF | \$ 4,494 | \$ | \$ | \$ |
| Total | \$ 4,494 | \$ 0 | \$ 0 | \$ 0 |

Statement 3 - Form 990-PF, Part I, Line 23 - Other Expenses

| Description | Total | Net Investment | Adjusted Net | Charitable Purpose |
|---------------------------|----------|----------------|--------------|--------------------|
| Expenses | \$ | \$ | \$ | \$ |
| Miscellaneous | 42 | 42 | | |
| College Night | 75 | | | 75 |
| Supplies and Bank Charges | 1,215 | 608 | | 607 |
| Total | \$ 1,332 | \$ 650 | \$ 0 | \$ 682 |

Federal Statements

Statement 4 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

| Description | Beginning of Year | End of Year | Basis of Valuation | Fair Market Value |
|----------------------|----------------------|----------------|-----------------------|----------------------|
| Southern Co. | \$ 56,203 | \$ 56,203 | Cost | \$ 186,640 |
| Ameren Corp. | 49,186 | 49,186 | Cost | 53,696 |
| Pepco Holding, Inc. | 54,081 | 54,081 | Cost | 49,225 |
| Xcel Energy, Inc. | 34,783 | 34,783 | Cost | 42,090 |
| Alliant Energy Corp. | 29,805 | 29,805 | Cost | 45,300 |
| CH Energy | 46,892 | 46,892 | Cost | 65,410 |
| N Star | 50,266 | | Cost | |
| Kinder Morgan | 23,835 | 23,835 | Cost | 15,610 |
| Otter Tail Corp | 25,633 | 25,633 | Cost | 22,570 |
| AT&T | 23,538 | 51,906 | Cost | 70,640 |
| Dupont | 21,725 | 21,725 | Cost | 49,690 |
| Coca Cola | 41,516 | 41,516 | Cost | 46,914 |
| Conoco Phillips | 29,662 | 29,662 | Cost | 27,940 |
| Emerson Electric | 40,641 | 40,641 | Cost | 37,184 |
| Northeast Utilities | 50,266 | 50,266 | Cost | 52,821 |
| Phillips 66 | 8,815 | 8,815 | Cost | 8,310 |
| Proctor & Gamble | 40,170 | 40,170 | Cost | 36,750 |
| RR Donnelley & Son | 16,697 | 16,697 | Cost | 11,170 |
| Sysco | 41,007 | 41,007 | Cost | 41,734 |
| Vodafone Group | 14,032 | 14,032 | Cost | 14,090 |
| Total | \$ 415,947 | \$ 676,855 | | \$ 877,784 |

Statement 5 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

| Description | Beginning of Year | End of Year | Basis of Valuation | Fair Market Value |
|-------------------|----------------------|----------------|-----------------------|----------------------|
| Deere and Company | \$ 131,270 | \$ 130,560 | Cost | \$ 144,743 |
| Duke Energy | 50,088 | 50,070 | Cost | 56,827 |
| GE Capital | 40,000 | 40,000 | Cost | 40,192 |
| GE Capital | 101,144 | 100,839 | Cost | 108,342 |
| GE Capital | 100,000 | 100,000 | Cost | 101,182 |
| Genworth Finl | 98,361 | | Cost | |
| Lehman Brothers | 39,993 | | Cost | |
| Microsoft Corp | 94,974 | 94,974 | Cost | 108,895 |
| Total | \$ 655,830 | \$ 516,443 | | \$ 560,181 |

Statement 6 - Form 990-PF, Part II, Line 22 - Other Liabilities

| <u>Description</u> | <u>Beginning of Year</u> | <u>End of Year</u> |
|--------------------|------------------------------|------------------------|
| N/R Loan Escrow | \$ 45,552 | \$ 44,568 |
| Total | <u>\$ 45,552</u> | <u>\$ 44,568</u> |

Federal Statements

Statement 7 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees, Etc.

| Name and Address | Title | Average Hours | Compensation | Benefits | Expenses |
|---|------------|---------------|--------------|----------|----------|
| Clifford L. Brown, III 319 West 7th Ave. Corsicana TX 75110 | President | 2.00 | 0 | 0 | 0 |
| Larry Morrison 104 N 7th St. Corsicana TX 75110 | Vice Pres | 1.00 | 0 | 0 | 0 |
| William S. Maupin 1131 West 7th Ave. Corsicana TX 75110 | Sec/treas | 1.00 | 0 | 0 | 0 |
| Terry Seth 1302 Oaklawn Dr. Corsicana TX 75110 | Schol Comm | 1.00 | 0 | 0 | 0 |
| Nellie Carr Thorogood 4310 Pinewood Park Kingwood TX 77345 | Schol Comm | 1.00 | 0 | 0 | 0 |
| Susan Cason Laird 1440 Wreyhill Dr. Hurst TX 76053 | Schol Comm | 1.00 | 0 | 0 | 0 |
| Mary E. Brown 1409 Governors Dr. Corsicana TX 75110 | Schol Comm | 1.00 | 0 | 0 | 0 |
| Carla Dyess 2427 FM 2452 Corsicana TX 75110 | Schol Comm | 1.00 | 0 | 0 | 0 |

Statement 8 - Form 990-PF, Part XV, Line 1a - Managers Who Contributed Over 2% or \$5,000

| <u>Name of Manager</u> | <u>Amount</u> |
|--|-------------------|
| C. L. Brown, III P.O. Box 1001 Corsicana, Texas 75151 | \$ 191,352 |
| Total | <u>\$ 191,352</u> |

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

See attached application

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

APRIL 1

Statement 9 - Form 990-PF, Part XV, Line 2d - Award Restrictions or LimitationsDescription

Limited to Texas, primarily Navarro Co. and need for financial assistance.

Federal Statements

Statement 10 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the
Year

| Name | Address | Relationship | Address | Status | Purpose | Amount |
|-------------------|--------------------|--------------|-------------------------|--------|-------------------|--------|
| Amanda O'Sullivan | Corsicana TX 75109 | None | 2029 Lake Halbert Rd | | Books & Tuition | 10,980 |
| Amanda O'Sullivan | Corsicana TX 75109 | None | 2029 Lake Halbert Rd | | Room and Board | 8,204 |
| Erica Mahoney | Corsicana TX 75110 | None | 2412 Morris Drive | | Books and Tuition | 3,455 |
| Erica Mahoney | Corsicana TX 75110 | None | 2412 Morris Drive | | Room and Board | 3,244 |
| Kirby Jackson | Kerens TX 75144 | None | P.O. Box 263 | | Books and Tuition | 5,662 |
| Kirby Jackson | Kerens TX 75144 | None | P.O. Box 263 | | Room and Board | 7,980 |
| Diana Driver | Corsicana TX 75110 | None | 2216 Renee | | Books and Tuition | 9,829 |
| Diana Driver | Corsicana TX 75110 | None | 2216 Renee | | Room and Board | 5,460 |
| Kelly Kormos | Corsicana TX 75110 | None | 2512 W. Maplewood | | Books and Tuition | 1,169 |
| Kelly Kormos | Corsicana TX 75110 | None | 2512 W. Maplewood | | Room and Board | 5,541 |
| Brenna Pelzel | Corsicana TX 75110 | None | 3850 NWCR 2004 | | Books and Tuition | 9,098 |
| Brenna Pelzel | Corsicana TX 75110 | None | 3850 NWCR 2004 | | Room and Board | 8,002 |
| Keith White | Corsicana TX 75110 | None | 3986 NECR 0080 | | Books and Tuition | 14,052 |
| Keith White | Corsicana TX 75110 | None | 3986 NECR 0080 | | Room and Board | 3,990 |
| Chris Hayes | Dawson TX 76639 | None | 12198 FM 642 | | Books and Tuition | 9,498 |
| Chris Hayes | Dawson TX 76639 | None | 12198 FM 642 | | Room and Board | 4,288 |
| Travis McClanahan | Corsicana TX 75110 | None | 2021 W. 4th Avenue | | Books and Tuition | 1,674 |
| Travis McClanahan | Corsicana TX 75110 | None | 2021 W. 4th Avenue | | Room and Board | 450 |
| Rebecca Avitia | Corsicana TX 75110 | None | 2910 N Corsicana Street | | Books and Tuition | 3,333 |

Federal Statements

Statement 10 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)

| Name | Address | Relationship | Status | Purpose | Amount |
|--------------------------------------|-------------------------|--------------|--------|----------------|---------|
| Rebecca Avitia Corsicana TX 75110 | 2910 N Corsicana Street | None | | Room and Board | 2,140 |
| Total | | | | | 118,049 |

Statement 11 - Form 990-PF, Part XV, Line 3b - Grants and Contributions Approved for Future Pmt

| Name | Address | Relationship | Status | Purpose | Amount |
|-------------------------------------|-------------------|--------------|--------|-------------------|--------|
| Erica Mahoney Corsicana TX 75110 | 2412 Morris Dr. | None | | Books and Tuition | 4,000 |
| Erica Mahoney Corsicana TX 75110 | 2412 Morris Dr. | None | | Room and Board | 4,500 |
| Kirby Jackson Kerens TX 75144 | P.O. Box 263 | None | | Books and Tuition | 8,000 |
| Kirby Jackson Kerens TX 75144 | P.O. Box 263 | None | | Room and Board | 8,500 |
| Keith White Corsicana TX 75110 | 3986 NECR 0080 | None | | Books and Tuition | 8,000 |
| Keith White Corsicana TX 75110 | 3986 NECR 0080 | None | | Room and Board | 8,500 |
| Kati Tibbits Corsicana TX 75110 | 250 NWCR 0017 | None | | Books and Tuition | 8,000 |
| Kati Tibbits Corsicana TX 75110 | 250 NWCR 0017 | None | | Room and Board | 8,500 |
| Brenna Pelzel Corsicana TX 75110 | 3850 NWCR 2004 | None | | Books and Tuition | 8,000 |
| Brenna Pelzel Corsicana TX 75110 | 3850 NWCR 2004 | None | | Room and Board | 8,500 |
| Kelly Kormos Corsicana TX 75110 | 2512 W. Maplewood | None | | Books and Tuition | 8,000 |
| Kelly Kormos Corsicana TX 75110 | 2512 W. Maplewood | None | | Room and Board | 8,500 |

Federal Statements

Statement 11 - Form 990-PF, Part XV, Line 3b - Grants and Contributions Approved for
Future Pmt (continued)

| Name | | Address | | Relationship | Status | Purpose | Amount |
|-------------------|--------------------|-------------------------|------|-------------------|--------|---------|--------|
| Diana Driver | Corsicana TX 75110 | 2216 Renee | None | Books and Tuition | 8,000 | | |
| Diana Driver | Corsicana TX 75110 | 2216 Renee | None | Room and Board | 8,500 | | |
| Rebecca Avitia | Corsicana TX 75110 | 2910 N Corsicana Street | None | Books and Tuition | 8,000 | | |
| Rebecca Avitia | Corsicana TX 75110 | 2910 N Corsicana Street | None | Room and Board | 8,500 | | |
| Anna Brewer | Barry TX 75102 | 234 NWCR 2191 | None | Books and Tuition | 8,000 | | |
| Anna Brewer | Barry TX 75102 | 234 NWCR 2191 | None | Room and Board | 8,500 | | |
| Carmen Blaine | Corsicana TX 75110 | 2217 West 12th Ave | None | Books and Tuition | 4,000 | | |
| Carmen Blaine | Corsicana TX 75110 | 2217 West 12th Ave | None | Room and Board | 4,250 | | |
| Arturo Flores | Corsicana TX 75110 | 1001 Navarro Drive | None | Books and Tuition | 4,000 | | |
| Arturo Flores | Corsicana TX 75110 | 1001 Navarro Drive | None | Room and Board | 4,250 | | |
| Jacquelyn Hill | Dawson TX 76639 | 235 SECR 3170 | None | Books and Tuition | 5,000 | | |
| Jacquelyn Hill | Dawson TX 76639 | 235 SECR 3170 | None | Room and Board | 5,000 | | |
| Chris Hayes | Dawson TX 76639 | 12198 FM 642 | None | Books and Tuition | 5,000 | | |
| Chris Hayes | Dawson TX 76639 | 12198 FM 642 | None | Room and Board | 5,000 | | |
| Dylan Moore | Chatfield TX 75105 | 4818 FM 1603 | None | Books and Tuition | 5,000 | | |
| Dylan Moore | Chatfield TX 75105 | 4818 FM 1603 | None | Room and Board | 5,000 | | |
| Travis McClanahan | Corsicana TX 75110 | 2021 W 4th Ave. | None | Books and Tuition | 8,000 | | |
| Travis McClanahan | Corsicana TX 75110 | 2021 W 4th Ave. | None | Room and Board | 8,500 | | |

Federal Statements

Statement 11 - Form 990-PF, Part XV, Line 3b - Grants and Contributions Approved for
Future Pmt (continued)

| Name | Address | Relationship | Status | Purpose | Amount |
|--------------------|------------------------|--------------------------|--------|-------------------|---------|
| Kelly Pratt | Kerens TX 75144 | 108 N. Senter | None | Book and Tuition | 7,500 |
| Kelly Pratt | Kerens TX 75144 | 108 N. Senter | None | Room and Board | 7,500 |
| Steven Starkey | Corsicana TX 75110 | 4329 W Park Row Blvd #51 | None | Books and Tuition | 8,000 |
| Steven Starkey | Corsicana TX 75110 | 4329 W Park Row Blvd #51 | None | Room and Board | 8,500 |
| Maxwell Snodgrass | Barry TX 75102 | 2332 NW CR 2161 | None | Books and Tuition | 8,000 |
| Maxwell Snodgrass | Barry TX 75102 | 2332 NW CR 2161 | None | Room and Board | 8,500 |
| Kayla Sikes | Corsicana TX 75110 | 1921 Bowie Drive | None | Books and Tuition | 2,500 |
| Kayla Sikes | Corsicana TX 75110 | 1921 Bowie Drive | None | Room and Board | 2,500 |
| Andrew Phinney | Corsicana TX 75110 | 612 Edgewood | None | Books and Tuition | 8,000 |
| Andrew Phinney | Corsicana TX 75110 | 612 Edgewood | None | Room and Board | 8,500 |
| Justine Crittenden | Skidmore TX 78389-3564 | 120 S 2nd Street | None | Books and Tuition | 8,000 |
| Justine Crittenden | Skidmore TX 78389-3564 | 120 S 2nd Street | None | Room and Board | 8,500 |
| Kyle Armstrong | Corsicana TX 75110 | 2904 Overlook Circle | None | Books and Tuition | 5,000 |
| Kyle Armstrong | Corsicana TX 75110 | 2904 Overlook Circle | None | Room and Board | 5,000 |
| Total | | | | | 299,500 |

CLIFFORD FOUNDATION SCHOLARSHIP INFORMATION SHEET

Please Read All Information Provided Before Completing Application

PURPOSE

THE CLIFFORD FOUNDATION WAS ESTABLISHED IN NAVARRO COUNTY IN 1993 AS A NON-PROFIT FOUNDATION COMMITTED TO PROMOTING EDUCATION IN NAVARRO COUNTY. The purpose of the foundation is to provide academic scholarships for selected students for postsecondary educational cost. The Clifford Foundation selects qualified applicants who might not be able to attend a college, university or technical college on a full-time basis without this scholarship. A Selection Committee selects scholarship recipients. The decisions of the Selection Committee are final and no explanations of their decisions will be made. Emphasis in the selection process will be placed on financial need, academic performance, and leadership potential.

WHO MAY APPLY?

Any 2012 graduating senior of a Navarro County, Texas public high school who has been accepted to attend a Texas state supported public college, university or technical college may apply. The applicant should be able to demonstrate to the Selection Committee good character and academic skills requisite for continuing his/her education. It is required that each applicant has a minimum total SAT score of 1500 (Verbal+Math+Writing) or an ACT minimum composite score of 21. Each 2012 applicant must complete the Navarro County CAP program in order to apply for the Clifford Foundation scholarship. The Navarro County CAP Program is designed to increase the number of successful college and scholarship applications. Clifford Foundation Applications will not be available after February 1, 2012. Please contact a Navarro County CAP Advisor, 903-872-0180, info@navarrocountycap.com

WHAT DOES THE SCHOLARSHIP PAY FOR?

The scholarship will cover tuition, required fees, recommended course textbooks or eBooks, and room and board not paid for by other financial aid resources. The textbook and eBook allowance shall not exceed \$1,000 per semester without prior approval from the Clifford Foundation. The dorm and meal plan allowance per semester will be calculated on the cost of a basic double occupancy room in a college dormitory and a 15-meal plan for the college, university, or technical college attended.

WHAT IS THE TERM OF THE SCHOLARSHIP?

The Clifford Foundation scholarships are one-semester scholarships, which can be renewed for a total of eight consecutive semesters. The scholarship will be reviewed each semester to verify that the recipient has fulfilled the requirements of the scholarship.

HOW MANY SCHOLARSHIPS ARE AVAILABLE?

The number of scholarships awarded by the Clifford Foundation will vary from year to year.

WHERE CAN I GET AN APPLICATION?

Applications are available from a Navarro County CAP Advisor before February 1, 2012. In order to receive a Clifford Foundation Application a student is required to complete the Navarro County CAP Program for 2012 graduating seniors. The CAP program is designed to help students develop a college plan and to increase the number of completed scholarship applications. Contact the Navarro County CAP office for additional information by calling (903) 872-0180, emailing info@navarrocountycap.com, or visiting navarrocountycap.com. All Navarro County CAP participants must have completed the CAP program by March 1, 2012. It is recommended that the student contact a Navarro County Cap Advisor early in his/her senior year.

WHAT DO I NEED TO APPLY FOR THE CLIFFORD FOUNDATION SCHOLARSHIP?

All documents submitted must be current as of March 23, 2012

1. Completed Application
2. Financial Statements
3. Essay
4. Signed copy of current credit report. Report may be requested from www.annualcreditreport.com
5. Signed Copies of the Parents' and Stepparent's Current Year and Previous Year Tax Returns including all attachments sent to the IRS.
6. Signed Copies of the Student's Current Year and Previous Year Tax Returns, if applicable including all attachments sent to the IRS.
7. Sealed Official Copy of High School Transcript including GPA and class rank.
8. Sealed Official Copy of College Transcript
9. Official Copy of SAT or ACT Test Results
10. Copy of official *Student Aid Report "SAR"* including the EFC (Expected Family Contribution) The **SAR is a summary report received three or four days after submitting an electronic FAFSA.**
11. Signed copy of checklist.
12. College Acceptance and Financial Aid Award Letters received from the college of your choice.
13. Interview with the student may be requested.

WHEN ARE THE APPLICATIONS DUE?

Applications for the 2012-2013 college year are due in the Clifford Foundation's office between **March 23, 2012 and March 30, 2012 by 4:00 p.m.** Applications are due within this specific time period to allow all students and parents the opportunity to provide the most current documentation available. Late or incomplete applications will not be considered. There will be no exceptions.

The Clifford Foundation Office is located at 319 West Seventh Avenue, Corsicana, Texas. Students may call the Clifford Foundation office at 903-874-4725 with any questions concerning the completion of the application. All documents must be current as of March 23, 2012.

WHAT SCHOOLS MAY A RECIPIENT ATTEND?

Any Texas supported public college, university, or technical school, accredited by the Southern Association of Colleges and Schools, and approved by the Clifford Foundation.

MAY THE SCHOLARSHIP BE DEFERRED FOR GRADUATE COURSES?

The scholarship is for eight consecutive semesters and may include both undergraduate courses and graduate courses. If a student chooses to attend a college, university or technical school at his/her own expense up to the first four semesters as a full time student and maintains a 2.5 GPA, his/her scholarship with the Clifford Foundation may be deferred up to two years. The student must submit a copy of his/her official transcript within ten days after the end of each semester.

DOES THE SCHOLARSHIP PAY FOR SUMMER SCHOOL?

If a student attends, both Summer 1 and Summer 2 sessions and is enrolled in 12 or more semester hours, these two consecutive summer sessions will count as one of the eight consecutive semesters.

DOES THE SCHOLARSHIP PAY OFF-CAMPUS LIVING?

The student must live in a school dormitory until the student has successfully completed 60 academic hours. If dormitory space is not available, a letter from the educational institution stating this fact will be required in order for the student to receive an off-campus budget for room and board. The student will be required to provide paid housing receipts monthly to the Clifford Foundation.

WHAT EXPENSES DOES THE SCHOLARSHIP NOT PAY FOR?

The Clifford Foundation does not pay for (1) outside courses or tests; (2) course supplies or equipment; (3) tuition, fees and books to repeat a course previously paid for by the Clifford Foundation that the student has failed or withdrawn from; (4) Internet and/or distance learning classes, without pre-approval from the Clifford Foundation; (5) parking, transportation, extra curricular fees, year books, sport passes, medical fees or any other personal expenses.

WHAT IS REQUIRED TO MAINTAIN THE SCHOLARSHIP?

The undergraduate student will be required to maintain full time status (15 or more semester hours) with a 2.5 or better grade point average on a 4-point system.

The graduate student will be required to maintain full time (9 or more semester hours) with a 3.0 or better grade point average on a 4-point system.

If the student takes a class that does not receive a grade point, that class will not be included in the full time status (15 or more semester hours) requirement.

If the student takes Internet or distance learning classes, those hours will not be included in the full time status (15 or more semester hours) requirement.

The student's degree plan must be submitted to the Clifford Foundation during his/her third semester. Any subsequent changes to the established degree plan must be immediately submitted to the Foundation's office.

The student will be required to keep the Clifford Foundation updated on their current address, email address and phone numbers.

The student must provide (1) his/her colleges' Internet website address; (2) the student's User ID and Password; and (3) any updates or changes to (1) and (2).

The student will be required to submit an official college transcript to the Clifford Foundation within ten days after the semester ends. If grades are not submitted, the Clifford Foundation will not pay for the next semester.

Once a Clifford Foundation Scholarship has commenced, and a student does not attend one regular semester as a full time student, the scholarship will be terminated.

WHAT IF THE STUDENT'S OVERALL GRADE POINT AVERAGE FALLS BELOW THE GPA REQUIREMENT OR THE STUDENT'S SEMESTER HOURS FALL BELOW THE HOUR REQUIREMENT?

If the student's GPA or hours fall below the Scholarship's requirements, the student will be allowed a one-time probation period. The probation period will be the semester immediately following the GPA or hour violation. The probation semester will be taken at the student's own expense. The probation semester courses must be pre-approved by the Clifford Foundation. To be reinstated for the Clifford Foundation scholarship, the student must submit his/her official grade report to the Clifford Foundation prior to reinstatement for the next eligible semester. The probation semester attended will not be counted as one of the eight consecutive semesters paid for by the Clifford Foundation.

WHAT ABOUT OTHER SOURCES OF FINANCIAL AID?

The Clifford Foundation must be informed immediately if any additional grants or scholarships are received. Failure to inform the Clifford Foundation that you have received other grants or scholarships will result in the termination of the Clifford Foundation Scholarship.

WHAT IF I RECEIVE OTHER SOURCES OF FINANCIAL AID AND FAIL TO INFORM THE CLIFFORD FOUNDATION?

Failure to inform the Clifford Foundation that you have received other grants or scholarships may also constitute the crime of **Fraud** under Chapter 32 of the Texas Penal Code, as well as other crimes, and may give rise to various civil claims against you, including **Common Law Fraud**. In the event you fail to inform the Clifford Foundation about other grants or scholarships you receive, the Clifford Foundation will pursue all its criminal and civil remedies against you to the full extent of the law.

Required Student and Parent Certification and Authorization

(Submit this form with your application)

By my signature below, I acknowledge that I have read and understood the foregoing Information Sheet regarding the Clifford Foundation Scholarship and am signing this document freely and voluntarily. By signing below, I further acknowledge that, before signing this document, I had ample time and opportunity to review the Information Sheet and to have all my questions about the Information Sheet answered.

I also understand that by accepting the Clifford Foundation Scholarship, and by signing below, I have agreed to perform all actions required of me by the Information Sheet and to abide by all provisions of the Information Sheet. Among other things, I have agreed to inform the Clifford Foundation immediately if I receive any other grants or scholarships. I understand that my failure to inform the Clifford Foundation immediately if I receive other grants or scholarships may constitute the crime of **Fraud** under Chapter 32 of the Texas Penal Code, as well as other crimes, and may give rise to various civil claims against me, including a claim for **Common Law Fraud**. I understand that, should I fail to inform the Clifford Foundation immediately if I receive any other grants or scholarships, the Clifford Foundation will terminate my scholarship and pursue both **criminal** and **civil** remedies against me to the full extent of the law.

Signed by Parent / Guardian _____

Date _____

Signed by Parent / Guardian _____

Date _____

Signed by Student _____

Date _____

**CLIFFORD FOUNDATION SCHOLARSHIP
2011-2012**

CHECK LIST FOR COMPLETED APPLICATION

Students must insure that the following are included with this application.

Late or incomplete applications will not be considered.

(Submit this form with your application)

(Please check)

- _____ 1. Completed Application (Verify that all financial data and financial aid awards status are current)
- _____ 2. Completed Financial Statements
- _____ 3. Signed copy of current credit report.
- _____ 4. Signed copies of both parents and/or stepparents' previous and current year tax returns including all attachments sent to IRS. If current year tax return is not complete, submit a signed preliminary current return.
- _____ 5. Signed copies of students' previous and current year tax returns including all attachments sent to IRS. If current year tax return is not complete, submit a signed preliminary current return if applicable.
- _____ 6. Sealed Official copy of your high school transcript including your GPA and class rank.
- _____ 7. Sealed Official copy of College transcript.
- _____ 8. Official copy of your SAT and/or ACT test results
- _____ 9. Official copy of Student Aid Report "SAR" including your Estimated Family Contribution (EFC).
- _____ 10. Student essay required by Clifford Foundation Application
- _____ 11. Signed copy of checklist indicating application completed.

Applications are due in the Clifford Foundation's office at 319 W. 7th Ave. Corsicana, TX 75110 between March 23, 2012 and March 30, 2012 by 4:00 p. m. Late or incomplete applications will not be considered. There will be no exceptions.

Parents and/or stepparent application information and financial information must be complete. If the information is not available, an explanation must be provided. If necessary, parent information may be submitted to the Foundation separately. A parent's unwillingness to submit financial information will result in an incomplete application.

Signed by Parent / Guardian _____ Date _____

Signed by Parent / Guardian _____ Date _____

Signed by Student _____ Date _____

17. List College, University or other schools to which you have been accepted.

18. What course of study (major) do you plan to pursue? _____

19. How many years are you required to complete this major _____

20. List jobs you have had in the last three years (Name, address and phone # of employer, length of employment & salary):

21. How do you plan to provide the additional funds required for your education that are not covered by this scholarship? _____

22. Do you have income from other sources? If "yes", please list:

23. List other scholarships or grants you have applied for. If received, indicate amount and terms: _____

24. Is any financial assistance for college available from other sources such as grandparents, uncles, aunts, parent's employers, Social Security or Veteran's Administration? If "yes", please list source and amount.

25. Do you or your parents have any money saved for your education? If "yes" how much?

26. Do you own your own car? Is or will a car be provided to you for your use by your parents or grandparents? If "yes", give make, model and ownership.

27. Please **attach** a copy of your official high school transcript including your official class rank and GPA.

28. Please **attach** a copy of your official SAT or ACT test results.

29. Please **attach** a copy of your Student Financial Aid Report "SAR" including your EFC.

30. On a separate piece of paper, please **type a 500-word essay**. Write an essay in which you tell us about someone who has made an impact on your life and explain how and why this person is important to you. Include the essay with this application.

31. Are you a U.S. Citizen? _____ Are you an Eligible noncitizen? _____

For Parents: We do not wish to be unduly inquisitive into your personal affairs. We do feel, however, that the information we are requesting will enable us to make a more objective selection of recipients for our scholarships. Please feel free to make any comments or submit additional information that you feel would be helpful to us.

Parents and/or stepparents' information must be complete on the application and their required financial information provided. If the information is not available, an explanation must be provided. If necessary, parent's information may be submitted to the Foundation separately. A parent's unwillingness to submit financial information will result in an incomplete application.

32. Please **attach** a signed copy of parents and/or stepparent's previous year and current year tax returns including all attachments sent to IRS.

33. Please **attach** a signed copy of your previous year and current year tax returns, if applicable, including all attachments sent to IRS.

Parents, please complete. Fill out a separate Net Worth from for each parent if not filing a joint tax return. (i.e. divorces, separated, or married couples that have separate assets & liabilities) Use supplemental sheets if necessary.

ASSETS

LIABILITIES

Cash on Hand & in Banks.....\$ _____
 Savings Account in Banks.....\$ _____
 U.S. Government Bonds.....\$ _____
 Accounts & Notes Receivable...\$ _____
 Life Insurance Cash Surrender Value\$ _____
 Other Stocks & Bonds.....\$ _____
 (described below – Section 3)
 Real Estate.....\$ _____
 Automobile(s) Present Value.\$ _____
 Other Personal Property.....\$ _____
 Other Assets.....\$ _____
TOTAL ASSETS.....\$ _____

Notes Payable to Banks.....\$ _____
 (described below – Section 2)
 Notes Payable to Others.....\$ _____
 (described below – Section 2)
 Installment Account (Auto)...\$ _____
 Monthly Payments \$ _____
 Installment Account (Other) \$ _____
 Loans on Life Insurance.....\$ _____
 Mortgages on Real Estate ...\$ _____
 (described below – Section 4)
TOTAL LIABILITIES.....\$ _____

Total Assets subtracted from your Total Liabilities equals your Net Worth
 \$ _____ - \$ _____ = \$ _____
 Assets Liabilities Net Worth

SECTION 1 Source of Income (Described below all items listed in this section)

Salary.....\$ _____ Real Estate Income.....\$ _____
 Net Investment Income.....\$ _____ Other Income (describe).....\$ _____

SECTION 2 Notes Payable to Banks and Others

| Name & Address Of Holder of Note | Amount of Lien | | Terms of Repayment | Maturity of Loan | How Endorsed Guaranteed or Secured |
|-------------------------------------|----------------|--------------|-----------------------|---------------------|---------------------------------------|
| | Original Bal. | Present Bal. | | | |
| _____ | \$ _____ | \$ _____ | \$ _____ | _____ | _____ |
| _____ | \$ _____ | \$ _____ | \$ _____ | _____ | _____ |
| _____ | \$ _____ | \$ _____ | \$ _____ | _____ | _____ |
| _____ | \$ _____ | \$ _____ | \$ _____ | _____ | _____ |

SECTION 3 Other Stocks & Bonds: (Give listed and unlisted Stocks & Bonds. Use separate sheet if necessary)

| Number of Shares | Names of Securities | Cost | Market Value | Statement Date |
|------------------|---------------------|----------|--------------|----------------|
| | | | Quotation | Amount |
| _____ | _____ | \$ _____ | \$ _____ | _____ |
| _____ | _____ | \$ _____ | \$ _____ | _____ |
| _____ | _____ | \$ _____ | \$ _____ | _____ |

SECTION 4 Real Estate Owned (i.e. Residence, Farm, Acreage, Rental and Lake Property)

Title in name of _____ Type of Property _____
 Address of Property (City & State) _____

 Name & Address of Holder of Mortgage (City & State) _____

*All of the Statements Made in this Application are True and Correct
 The Clifford Foundation has the right to revoke any scholarship if any of the application information is found to be fraudulent*

Signatures Father _____ Mother _____
 Student _____