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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

2012

Department of the Treasury
Internal Revenue Service

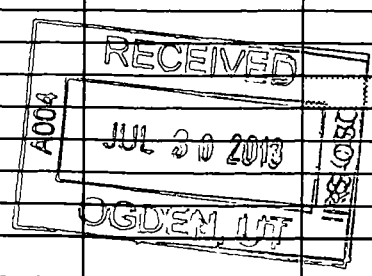
Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

Open to Public Inspection

For calendar year 2012 or tax year beginning 06/01/12, and ending 05/31/13

Name of foundation Blanche G. Terry Educational Trust C/O Citizens National Bank, Trustee		A Employer identification number 75-6173637
Number and street (or P O box number if mail is not delivered to street address) 400 West Collin Street	Room/suite	B Telephone number (see instructions) 903-874-1700
City or town, state, and ZIP code Corsicana TX 75110		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 751,781	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 <i>NIA</i>	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	19,714	19,714		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	5,066			
	b Gross sales price for all assets on line 6a 54,470				
	7 Capital gain net income (from Part IV, line 2)		5,066		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule) Stmt 1	119,243	119,243			
12 Total. Add lines 1 through 11	144,023	144,023			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	11,103	9,993		1,110
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) Stmt 2	740	74		666
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see instructions) Stmt 3	75			
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
22 Printing and publications					
23 Other expenses (att sch)					
24 Total operating and administrative expenses. Add lines 13 through 23	11,918	10,067		1,776	
25 Contributions, gifts, grants paid	29,205			29,205	
26 Total expenses and disbursements. Add lines 24 and 25	41,123	10,067		30,981	
27 Subtract line 26 from line 12.					
a Excess of revenue over expenses and disbursements	102,900				
b Net investment income (if negative, enter -0-)		133,956			
c Adjusted net income (if negative, enter -0-)					



For Paperwork Reduction Act Notice, see instructions.

Form 990-PF (2012)

DAA

WY 3

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	5,777	51,213	51,213
	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) Stmt 4	25,354	25,276	30,208
	b Investments – corporate stock (attach schedule)			
	c Investments – corporate bonds (attach schedule) See Stmt 5	65,020	29,966	30,774
	11 Investments – land, buildings, and equipment, basis ▶ Less: accumulated depreciation (attach sch.) ▶			
	12 Investments – mortgage loans			
	13 Investments – other (attach schedule) See Statement 6	463,509	555,761	639,586
	14 Land, buildings, and equipment basis ▶ Less: accumulated depreciation (attach sch.) ▶			
15 Other assets (describe ▶ See Statement 7)	2	2		
16 Total assets (to be completed by all filers – see the instructions. Also, see page 1, item I)	559,662	662,218	751,781	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ <input checked="" type="checkbox"/>			
	24 Unrestricted	559,662	662,218	
	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)	559,662	662,218		
31 Total liabilities and net assets/fund balances (see instructions)	559,662	662,218		

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	559,662
2 Enter amount from Part I, line 27a	2	102,900
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	662,562
5 Decreases not included in line 2 (itemize) ▶ See Statement 8	5	344
6 Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	662,218

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 Harbor Institutional Fund	P		08/29/12
b Nucor Corp Bonds	P		12/03/12
c Vanguard Short Term Inv Grade Fund	P		07/03/12
d Capital Gain Distributions			
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 10,000		9,464	536
b 35,000		35,000	
c 5,000		4,940	60
d 4,470			4,470
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			536
b			
c			60
d			4,470
e			

2 Capital gain net income or (net capital loss)	<div style="border: 1px solid black; padding: 2px; display: inline-block;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div>	2	5,066
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	<div style="border: 1px solid black; padding: 2px; display: inline-block;"> If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8 </div>	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))
2011	29,612	606,707	0.048808
2010	29,588	610,971	0.048428
2009	27,243	587,212	0.046394
2008	27,563	555,325	0.049634
2007	23,693	631,801	0.037501

2 Total of line 1, column (d)	2	0.230765
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	0.046153
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	705,824
5 Multiply line 4 by line 3	5	32,576
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,340
7 Add lines 5 and 6	7	33,916
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	30,981

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	2,679
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	2,679
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	2,679
6	Credits/Payments:		
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	
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	
8	Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	3
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	2,682
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 2013 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 Instructions for the definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input type="checkbox"/> \$ _____ (2) On foundation managers. <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ _____		
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) <input type="checkbox"/> 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 2012 or the taxable year beginning in 2012 (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)

<p>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)</p>	11		X
<p>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)</p>	12		X
<p>13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A</p>	13	X	

14 The books are in care of ► **Citizens National Bank** Telephone no. ► **903-874-1700**
400 West Collin Street
 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**

<p>16 At any time during calendar year 2012, 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 ►</p>	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
<p>1a During the year did the foundation (either directly or indirectly):</p> <p>(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(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</p> <p>(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>(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</p> <p>(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</p>			
<p>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 ► <input type="checkbox"/></p>	1b		X
<p>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 2012? N/A</p>	1c		
<p>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)):</p> <p>a At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? If "Yes," list the years ► 20 , 20 , 20 , 20 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>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</p> <p>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</p>	2b		
<p>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</p> <p>b If "Yes," did it have excess business holdings in 2012 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 2012.) N/A</p>	3b		
<p>4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?</p>	4a		X
<p>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 2012?</p>	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)? **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** Yes No **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 (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Citizens National Bank 400 West Collin Corsicana TX 75110	Trustee 5.00	11,103	0	0

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

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

Total number of other employees paid over \$50,000 **0**

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

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."

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

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

Part IX-A Summary of Direct Charitable Activities

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

1	Expenses
N/A	
2	
3	
4	

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

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

1	Amount
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	636,791
b	Average of monthly cash balances	1b	79,782
c	Fair market value of all other assets (see instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	716,573
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	716,573
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	10,749
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	705,824
6	Minimum investment return. Enter 5% of line 5	6	35,291

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	35,291
2a	Tax on investment income for 2012 from Part VI, line 5	2a	2,679
b	Income tax for 2012. (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	2,679
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	32,612
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	32,612
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	32,612

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	30,981
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	30,981
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	30,981

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 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				32,612
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			29,022	
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2012:				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f Total of lines 3a through e				
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ 30,981				
a Applied to 2011, but not more than line 2a			29,022	
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 2012 distributable amount				1,959
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount – see instructions				
e Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount – see instructions				
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				30,653
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 2007 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9:				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

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 2012, enter the date of the ruling ▶

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

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

	Tax year	Prior 3 years			(e) Total
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test – enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test – enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 Information Regarding Foundation Managers:

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

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

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

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

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed:
N/A

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

c Any submission deadlines:
April 15 Annually

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

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 ATTACHED LIST	NONE		SCHOLARSHIPS	29,205
Total				▶ 3a 29,205
b Approved for future payment N/A				
Total				▶ 3b

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
Oil & Gas Lease	\$ 119,243	\$ 119,243	\$
Total	<u>\$ 119,243</u>	<u>\$ 119,243</u>	<u>\$ 0</u>

Statement 2 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Indirect Accounting Fees	\$ 740	\$ 74	\$	\$ 666
Total	<u>\$ 740</u>	<u>\$ 74</u>	<u>\$ 0</u>	<u>\$ 666</u>

Statement 3 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
990 PF	\$ 75	\$	\$	\$
Total	<u>\$ 75</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Federal Statements

Statement 4 - Form 990-PF, Part II, Line 10a - US and State Government Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
25M FNMA 8.2% Due 03-10-16	\$ 25,354	\$ 25,276	Cost	\$ 30,208
Total	\$ 25,354	\$ 25,276		\$ 30,208

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
35M Nucor Corp 5% Due 12-01-2012	\$ 35,054		Cost	\$ 30,774
30M Home Depot 5.25% Due 12-16-2013	\$ 29,966	\$ 29,966	Cost	
Total	\$ 65,020	\$ 29,966		\$ 30,774

Statement 6 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
Harbor Bond Fund	\$ 120,000	\$ 110,536	Cost	\$ 111,366
T Rowe Price High Yield Fund		45,000	Cost	46,029
Vanguard GNMA Fund #536	73,322	73,322	Cost	75,821
Vanguard Short Term Corp Fund #539	95,000	120,060	Cost	121,285
Columbia Acorn Fund	13,236	13,236	Cost	25,303
Columbia Acorn Int'l Fund	6,951	6,951	Cost	13,837
T Rowe Price Blue Chip Growth	67,000	67,000	Cost	105,324
Mutual Global Discovery Fund-Class Z	18,000	18,000	Cost	20,845
Thornberg International Value #139	11,000	11,000	Cost	13,008
Gabelli Equity Income I Fund	59,000	58,656	Cost	73,031
Third Avenue Real Estate Value Fund		17,000	Cost	18,093
Vanguard Small Cap Index Fund		15,000	Cost	15,644
Total	\$ 463,509	\$ 555,761		\$ 639,586

Federal Statements

Statement 7 - Form 990-PF, Part II, Line 15 - Other Assets

Description	Beginning of Year	End of Year	Fair Market Value
Mineral Interests	\$ 2	\$ 2	\$
Total	\$ 2	\$ 2	\$ 0

Statement 8 - Form 990-PF, Part III, Line 5 - Other Decreases

Description	Amount
Reduction in Basis	\$ 344
Total	\$ 344

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

Scholarship application form

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

April 15 Annually

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

Navarro County, Texas Residents

BLANCHE TERRY SCHOLARSHIP AMTS 6-1-2012 - 5-31-2013

NAME	AMOUNT
Joshua Brown 106 SH 75 S. Fairfield, Texas 75840	1200.00
Clark Carrzales 1524 Maplewood Avenue Corsicana, Texas 75110	900.00
Omar Castillo 1538 W. 6th Avenue Corsicana, Texas 75110	600.00
Nichloas Cobourn 1610 NE CR 2220 Kerens, Texas 75144	600.00
Jacob Cole 1604 E. Beverly Drive Corsicana, Texas 75110	600.00
Emilio Compoz 310 W. Wright Avenue Kerens, Texas 75144	300.00
Tristyn Cote 510 S. Bonner Kerens, Texas 75144	600.00
Julian Erdmann P. O. Box 153 Ennis, Texas 75101	1,200.00
Austin Ryan Fite 818 Holly Lane Mexia, Texas 76667	1,200.00
Hayden Hatfield 10640 SW CR 2080 Purdon, Texas 76679	400.00
Eric Hill 2802 Linda Drive Ennis, Texas 75119	600.00
Deion Ibraham 22645 NW CR 3250 Hubbard, Texas 76648	400.00

Kody Ingram	400.00	
622 S. McKinney Street		
Mexia, Texas 76667		
Kreig Ingram	400.00	
622 S. McKinney Street		
Mexia, Texas 76667		
James Jones	1200.00	
1445 W. 3rd Avenue		
Corsicana, Texas 75110		
Jayson Jordan	1200.00	
9840 NW CR 2221		
Barry, Texas 75102		
Jimmy Konieczny	600.00	
P. O. Box 71		
Rice, Texas 75155		
Joshua McBryde	600.00	
425 N. 40th Street		
Corsicana, Texas 75110		
Blake McClure	300.00	
237 E. Beachwood Loop		
Trinidad, Texas 75163		
Jake McClure	300.00	
237 E. Beachwood Loop		
Trinidad, Texas 75163		
Bryan McCracken	600.00	
102 SE CR 3090		
Corsicana, Texas 75109		
7258 SE CR 3248	1200.00	
Kerens, Texas 75144		
Kevin Miller	600.00	
P. O. Box 1652		
Corsicana, Texas 75151		
Colton Monroe	600.00	
2271 NW CR 2162		
Barry, Texas 75102		
John Mooneyham	1200.00	
101 Private Road 1283		
Fairfield, Texas 75840		

Ryan Motley	600.00	
201 NW CR 17		
Corsicana, Texas 75110		
Dang Hai Nguyen	600.00	
707 SE CR 3121		
Corsicana, Texas 75109		
Jeffrey Proctor	1200.00	
326 CR 1250		
Fairfield, Texas 75840		
Aaron Raney	300.00	
813 Ambassador		
Corsicana, Texas 75110		
Timothy Sadler	1200.00	
P. O. Box 1411		
Mexia, Texas 76667		
Sebastian Solis	1200.00	
1050 S 17th Street		
Corsicana, Texas 75110		
Steven Starkey	1200.00	
P. O. Box 131		
Rice, Texas 75155		
Zeb Thomas	1,200.00	
784 FM 55		
Barry, Texas 75102		
James Tolliver	600.00	
716 E.m Flat Road		
Kerens, Texas 75144		
Blake Ward	1,200.00	
602 SE 4th		
Kerens, Texas 75144		
Matt Wilkins	600.00	
8202 FM 744		
Corsicana, Texas 75110		
Jake Williams	600.00	
2507 Tennyson		
Corsicana, Texas 75110		

Jack Wright	1200 00	
1118 E. US Highway 84		
Fairfield, Texas 75840		
TOTAL SCHOLARSHIP AMT	29,500.00	

LESS AMOUNT RETURNED

< 295.00 >
29,205.00