Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

▶ **Do not enter Social Security numbers on this form as it may be made public. By law, the IRS cannot redact the information on the form.**

▶ **Information about Form 990-PF and its instructions is at *www.irs.gov/form990pf*.**

OMB No 1545-0052

2013

Open to Public Inspection

For calendar year 2013, or tax year beginning 01-01-2013 , and ending 12-31-2013

Name of foundation
The Klesse Foundation

% MARGARET KLESSE

Number and street (or P O box number if mail is not delivered to street address)
109 Turnberry Way
Suite

Room/suite

City or town, state or province, country, and ZIP or foreign postal code
San Antonio, TX 78230

A Employer identification number
20-2666212

B Telephone number (see instructions)
(210) 492-3749

C If exemption application is pending, check here ▶ ☐

D 1. Foreign organizations, check here ▶ ☐

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

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

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

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

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

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)*▶$ 157,163

J Accounting method ☑ Cash ☐ Accrual ☐ Other (specify) ______ *(Part I, column (d) must be on cash basis.)*

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)	0			
	2	Check ▶ ☐ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments	20	20		
	4	Dividends and interest from securities	4,304	4,304		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	348,406			
	b	Gross sales price for all assets on line 6a 495,523				
	7	Capital gain net income (from Part IV, line 2)		348,406		
	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)	5,079			
	12	**Total.** Add lines 1 through 11	357,809	352,730		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc				
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)	3,000	3,000	0	0
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see instructions)				
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)				
	24	**Total operating and administrative expenses.** Add lines 13 through 23	3,000	3,000	0	0
	25	Contributions, gifts, grants paid	434,328			434,328
	26	**Total expenses and disbursements.** Add lines 24 and 25	437,328	3,000	0	434,328
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	-79,519			
	b	**Net investment income** (if negative, enter -0-)		349,730		
	c	**Adjusted net income** (if negative, enter -0-)				

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	89,565	157,163	157,163
	3	Accounts receivable ▶ Less allowance for doubtful accounts ▶			
	4	Pledges receivable ▶ Less allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach schedule) ▶ Less allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)	229,780		
	c	Investments—corporate bonds (attach schedule)			
	11	Investments—land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)			
	14	Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	319,345	157,163	157,163
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	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here** ▶ ☐ **and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☑ **and complete lines 27 through 31.**			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	319,345	157,163	
	30	**Total net assets or fund balances** (see page 17 of the instructions)	319,345	157,163	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	319,345	157,163	

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	319,345
2	Enter amount from Part I, line 27a	2	-79,519
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	239,826
5	Decreases not included in line 2 (itemize) ▶	5	82,663
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	157,163

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)
1 a	555 5555 SHARES OF CST BRANDS	D	2005-08-08	2013-05-20
b	500 SHARES OF EOG RESOURCES INC	P	2011-08-09	2013-04-12
c	10000 SHARES OF VALERO ENERGY CORP	D	2005-08-08	2013-08-20
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	18,470		4,211	14,259
b	62,982		45,030	17,952
c	414,071		97,876	316,195
d				
e				

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
a				14,259
b				17,952
c				316,195
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	348,406
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 page 18 of 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))
2012	405,447	591,494	0 685463
2011	326,501	961,948	0 339416
2010	311,590	974,751	0 319661
2009	247,457	464,151	0 533139
2008	357,504	861,577	0 414941

2	**Total** of line 1, column (d).	2	2 29262
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 458524
4	Enter the net value of noncharitable-use assets for 2013 from Part X, line 5.	4	296,177
5	Multiply line 4 by line 3.	5	135,804
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	3,497
7	Add lines 5 and 6.	7	139,301
8	Enter qualifying distributions from Part XII, line 4.	8	434,328

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

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter ________ **(attach copy of letter if necessary–see instructions)**		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☑ and enter 1% of Part I, line 27b	1	3,497
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	
3	Add lines 1 and 2	3	3,497
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-	5	3,497
6	Credits/Payments		
a	2013 estimated tax payments and 2012 overpayment credited to 2013 — 6a: 84		
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	84
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached	8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	3,413
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 2014 estimated tax** ▶ **Refunded** ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		No
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)?	1b		No
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		No
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.*	2		No
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		No
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		No
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	Yes	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV.*	7	Yes	
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*	8b	Yes	
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 2013 or the taxable year beginning in 2013 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		No
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses.*	10		No

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		No
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		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	

Website address ▶

14 The books are in care of ▶MARGARET KLESSE Telephone no ▶(210) 492-3749

Located at ▶109 TURNBERRY WAY SAN ANTONIO TX ZIP+4 ▶78230

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** —Check here . . . ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the year . . . ▶ | 15 |

			Yes	No
16	At any time during calendar year 2013, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		No
	See instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes", enter the name of the foreign country ▶			

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

			Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☑ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☑ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☑ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☑ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☑ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). ☐ Yes ☑ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?	1b		
	Organizations relying on a current notice regarding disaster assistance check here. ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2013?	1c		No
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 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013? ☐ Yes ☑ No			
	If "Yes," list the years ▶ 20____, 20____, 20____, 20____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions)	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ 20____, 20____, 20____, 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☑ No			
b	If "Yes," did it have excess business holdings in 2013 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 2013.)*	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
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 2013?	4b		No

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)? **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? ☐ 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** **No**

If "Yes" to 6b, file Form 8870.

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

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? **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 Additional Data Table				

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

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

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

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

(a) Name and address of each person paid more than $50,000	**(b)** Type of service	**(c)** Compensation
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	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments See page 24 of the 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	100,503
b	Average of monthly cash balances	1b	200,184
c	Fair market value of all other assets (see instructions)	1c	0
d	**Total** (add lines 1a, b, and c)	1d	300,687
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	300,687
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	4,510
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	296,177
6	**Minimum investment return.** Enter 5% of line 5	6	14,809

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	14,809
2a	Tax on investment income for 2013 from Part VI, line 5	2a	3,497		
b	Income tax for 2013 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	3,497
3	Distributable amount before adjustments Subtract line 2c from line 1			3	11,312
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	11,312
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	11,312

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	434,328
b	Program-related investments—total from Part IX-B	1b	0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	0
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	0
b	Cash distribution test (attach the required schedule)	3b	0
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	434,328
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	3,497
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	430,831

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 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7					11,312
2 Undistributed income, if any, as of the end of 2013					
a Enter amount for 2012 only.				0	
b Total for prior years 2011 , 2010 , 2009					
3 Excess distributions carryover, if any, to 2013					
a From 2008.	314,617				
b From 2009.	224,519				
c From 2010.	267,634				
d From 2011.	287,136				
e From 2012.	376,038				
f **Total** of lines 3a through e.		1,469,944			
4 Qualifying distributions for 2013 from Part XII, line 4 ▶ $ 434,328					
a Applied to 2012, but not more than line 2a				0	
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 2013 distributable amount.					11,312
e Remaining amount distributed out of corpus		423,016			
5 Excess distributions carryover applied to 2013 *(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		1,892,960			
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 2012 Subtract line 4a from line 2a Taxable amount—see instructions				0	
f Undistributed income for 2013 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2014					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 2008 not applied on line 5 or line 7 (see instructions) . . .		314,617			
9 **Excess distributions carryover to 2014.** Subtract lines 7 and 8 from line 6a		1,578,343			
10 Analysis of line 9					
a Excess from 2009. . . .	224,519				
b Excess from 2010. . . .	267,634				
c Excess from 2011. . . .	287,136				
d Excess from 2012. . . .	376,038				
e Excess from 2013. . . .	423,016				

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 2013, enter the date of the ruling. . . . . . . ▶

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

	Tax year	Prior 3 years			(e) Total
	(a) 2013	**(b)** 2012	**(c)** 2011	**(d)** 2010	
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 organization 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 Additional Data Table

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

NONE

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

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

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

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

c Any submission deadlines

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE ATTACHMENT A SEE ATTACHMENT A San Antonio, TX 78230		PC	SEE ATTACHMENT A	434,328
Total . . . . ▶ **3a**				434,328
b *Approved for future payment*				
Total . . . . ▶ **3b**				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments. . . .					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities. . . .			14	4,324	
5 Net rental income or (loss) from real estate					
a Debt-financed property.					
b Not debt-financed property.					
6 Net rental income or (loss) from personal property					
7 Other investment income.					
8 Gain or (loss) from sales of assets other than inventory			18	348,406	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory. .					
11 Other revenue a FEDERAL TAX REFUND					5,079
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e). .				352,730	5,079

13 Total. Add line 12, columns (b), (d), and (e). 13 357,809

(See worksheet in line 13 instructions to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions)

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

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

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

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

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

b If "Yes," complete the following schedule

(a) Name of organization	**(b)** Type of organization	**(c)** Description of relationship

Sign Here

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

****** | 2014-10-15 | ******

Signature of officer or trustee | Date | Title

May the IRS discuss this return with the preparer shown below (see instr)? ☑ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's Signature	Date	Check if self-employed ▶ ☐	PTIN
Patricia Quintana-Perron				P00077454
Firm's name ▶ BKD LLP			Firm's EIN ▶	
Firm's address ▶ 10001 REUNION PLACE SUITE 400 SAN ANTONIO, TX 782164137			Phone no (210) 492-3749	

Form 990PF Part VIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation

(a) Name and address	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation **(If not paid, enter -0-)**	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
WILLIAM R KLESSE 109 Turnberry Way San Antonio,TX 78230	PRESIDENT/DIRECTOR 2 0	0		
MARGARET A KLESSE 109 Turnberry Way San Antonio,TX 78230	SECRETARY/DIRECTOR 2 0	0		
LAURA KLESSE 4557 LORRAINE ST DALLAS,TX 78205	VICE PRESIDENT/DIRECTOR 0	0		
JULIE KLESSE LINDERMAN 3536 AMHERST DALLAS,TX 78225	VICE PRESIDENT/DIRECTOR 0	0		
ALLISON KLESSE SMITH 1219 CRAIG RD KNOXVILLE,TN 37919	VICE PRESIDENT/DIRECTOR 0	0		

Form 990PF Part XV Line 1a - 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).

WILLIAM R KLESSE
MARGARET A KLESSE

TY 2013 Accounting Fees Schedule

Name: The Klesse Foundation

EIN: 20-2666212

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
TAX PREPARATION FEES	3,000	3,000		

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2013 Depreciation Schedule

Name: The Klesse Foundation

EIN: 20-2666212

TY 2013 Investments - Land Schedule

Name: The Klesse Foundation

EIN: 20-2666212

TY 2013 Land, Etc. Schedule

Name: The Klesse Foundation

EIN: 20-2666212

TY 2013 Other Decreases Schedule

Name: The Klesse Foundation

EIN: 20-2666212

Description	Amount
BOOK/TAX DIFFERENCE IN SALE OF DONATED	0
SECURITIES	82,663

TY 2013 Other Income Schedule

Name: The Klesse Foundation

EIN: 20-2666212

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
Federal Tax Refund	5,079		

Attachment A
2013 Various Contributions
Paid From The Klesse Foundation

Date	Amount	Name	Street Address	City	State	Zip Code	Recipient Status	Purpose of Grant/ Contribution
1/29/2013	5,000	TX NF Foundation	1717 Main Street Ste 1800	Dallas	TX	75201	501 (c)(3) PC	General Charitable Purpose
1/24/2013	25,000	Archbishop's Appeal	PO Box 28410	San Antonio	TX	78228	501 (c)(3) PC	General Charitable Purpose
1/25/2013	2,500	Boys & Girls Club of SA	600 S W 19th St	San Antonio	TX	78207	501 (c)(3) PC	General Charitable Purpose
1/29/2013	1,000	San Antonio Food Bank	4311 Director's Drive	San Antonio	TX	78219	501 (c)(3) PC	General Charitable Purpose
2/5/2013	1,000	UT Foundation, Fund for the future	U Tennessee	Knoxville	TN	37919	501 (c)(3) PC	General Charitable Purpose
2/5/2013	1,000	Heart of Texas Autism Network	PO Box 2338	Hewitt	TX	76643	501 (c)(3) PC	General Charitable Purpose
2/14/2013	850	Cancer Center Council	7703 Floyd Curl Drive	San Antonio	TX	78229	501 (c)(3) PC	General Charitable Purpose
2/17/2013	25,000	United Way of San Antonio	PO Box 898	San Antonio	TX	78293	501 (c)(3) PC	General Charitable Purpose
2/17/2013	1,000	Greehey Childrens Cancer Institute	7703 Floyd Curl Drive	San Antonio	TX	78229	501 (c)(3) PC	General Charitable Purpose
2/21/2013	1,000	Birdies of Charity	PO Box 690330	San Antonio	TX	78269	501 (c)(3) PC	General Charitable Purpose
3/16/2013	1,000	Special Olympics	10223 McAllister Frwy #100	San Antonio	TX	78216	501 (c)(3) PC	General Charitable Purpose
3/20/2013	1,000	Charity Ball Association	PO Box 6708	San Antonio	TX	78209	501 (c)(3) PC	General Charitable Purpose
3/20/2013	10,000	UTHSCSA Cabinet	7703 Floyd Curl Drive	San Antonio	TX	78229	501 (c)(3) PC	General Charitable Purpose
3/21/2013	10,000	Cystic Fibrosis Foundation	8620 N New Braunfels, Ste 110	San Antonio	TX	78217	501 (c)(3) PC	General Charitable Purpose
4/5/2013	3,000	Elizabeth Toon Charities	8343 Douglas Ave	Dallas	TX	75225	501 (c)(3) PC	General Charitable Purpose
4/8/2013	1,000	St Jude's Ranch for Children	PO Box 60100	Boulder City	NV	89006	501 (c)(3) PC	General Charitable Purpose
4/8/2013	1,000	Special Olympics	10223 McAllister Frwy #100	San Antonio	TX	78216	501 (c)(3) PC	General Charitable Purpose
4/8/2013	1,000	Carmelite Monastery	PO Box 2507	Cody	WY	82414	501 (c)(3) PC	General Charitable Purpose
4/9/2013	1,000	San Antonio Food Bank	4311 Director's Drive	San Antonio	TX	78219	501 (c)(3) PC	General Charitable Purpose
4/9/2013	1,000	USO	PO Box 96860	Washington	DC	20077	501 (c)(3) PC	General Charitable Purpose
4/11/2013	5,000	Respite Care of San Antonio	PO Box 12633	San Antonio	TX	78212	501 (c)(3) PC	General Charitable Purpose
4/13/2013	25,000	United Way of San Antonio	PO Box 898	San Antonio	TX	78293	501 (c)(3) PC	General Charitable Purpose
4/12/2013	5,000	March of Dimes	7400 Blanco Road	San Antonio	TX	78216	501 (c)(3) PC	General Charitable Purpose
4/19/2013	5,000	Habitat for Humanity	311 Probandt	San Antonio	TX	78204	501 (c)(3) PC	General Charitable Purpose
5/9/2013	10,000	UD School of Engineering, Dean's Fund	300 College Park	Dayton	OH	45469	501 (c)(3) PC	General Charitable Purpose
5/10/2013	250	San Antonio Food Bank	4311 Director's Drive	San Antonio	TX	78219	501 (c)(3) PC	General Charitable Purpose
5/10/2013	25,000	Texas Biomedical Research Institute	PO Box 760549	San Antonio	TX	78245	501 (c)(3) PC	General Charitable Purpose
5/18/2013	7,500	Crystal Charity Ball	30 Highland Park Village #206	Dallas	TX	75205	501 (c)(3) PC	General Charitable Purpose
5/18/2013	7,500	Cattle Barons Ball	3838 Oak Lawn Ave #700	Dallas	TX	75219	501 (c)(3) PC	General Charitable Purpose
5/28/2013	1,000	Ecumenical Center	8310 Ewing Halsell Dr	San Antonio	TX	78229	501 (c)(3) PC	General Charitable Purpose
5/30/2013	5,000	American Red Cross	3642 E Houston St	San Antonio	TX	78219	501 (c)(3) PC	General Charitable Purpose
5/30/2013	5,000	Boysville	PO Box 369	Converse	TX	78109	501 (c)(3) PC	General Charitable Purpose
5/30/2013	25,000	Military Warriors Support Foundation	2511 N Loop 1604 Ste 201	San Antonio	TX	78258	501 (c)(3) PC	General Charitable Purpose
6/10/2013	5,000	Boys & Girls Club of SA	600 S W 19th St	San Antonio	TX	78207	501 (c)(3) PC	General Charitable Purpose
6/10/2013	5,000	Mission Road Ministries	8706 Mission Rd	San Antonio	TX	78214	501 (c)(3) PC	General Charitable Purpose
7/13/2013	500	Daughters of Charity	7607 Somerset Rd	San Antonio	TX	78211	501 (c)(3) PC	General Charitable Purpose
7/18/2013	25,000	United Way of San Antonio	PO Box 898	San Antonio	TX	78293	501 (c)(3) PC	General Charitable Purpose
7/20/2013	2,500	Leukemia & Lumphoma Society	431 Isom Road #125	San Antonio	TX	78216	501 (c)(3) PC	General Charitable Purpose
8/26/2013	250	HP Band	4220 Emerson	Dallas	TX	75205	501 (c)(3) PC	General Charitable Purpose
8/26/2013	250	McAuley Mercy Foundation	PO Box 16367	Asheville	NC	28816	501 (c)(3) PC	General Charitable Purpose
8/29/2013	50,000	National MS Society	9830 Colonnade Blvd #130	San Antonio	TX	78230	501 (c)(3) PC	General Charitable Purpose
9/23/2013	1,000	UTHSCSA	7703 Floyd Curl Drive	San Antonio	TX	78229	501 (c)(3) PC	General Charitable Purpose
9/25/2013	300	National MS Society	9830 Colonnade Blvd #130	San Antonio	TX	78230	501 (c)(3) PC	General Charitable Purpose
9/30/2013	250	Special Olympics	10223 McAllister Frwy #100	San Antonio	TX	78216	501 (c)(3) PC	General Charitable Purpose
10/13/2013	1,000	St Matthews Habitat for Humanity	10703 Wurzbach Pkwy	San Antonio	TX	78230	501 (c)(3) PC	General Charitable Purpose
10/16/2013	1,000	Wounded Warrior Project	4899 Belfort Road, Ste 300	Jacksonville	FL	32256	501 (c)(3) PC	General Charitable Purpose
10/16/2013	1,000	Habitat for Humanity	311 Probandt	San Antonio	TX	78204	501 (c)(3) PC	General Charitable Purpose
10/16/2013	1,000	San Antonio Food Bank	4311 Director's Drive	San Antonio	TX	78219	501 (c)(3) PC	General Charitable Purpose
10/23/2013	25,000	United Way of San Antonio	PO Box 898	San Antonio	TX	78293	501 (c)(3) PC	General Charitable Purpose

10/23/2013	25,000	Catholic Community Foundation	2718 W Woodlawn	San Antonio	TX	78228	501 (c)(3)	PC	General Charitable Purpose
10/29/2013	1,000	Summit Foundation	PO Box 4000	Breckenridge	CO	80424	501 (c)(3)	PC	General Charitable Purpose
10/29/2013	1,000	USO	PO Box 96860	Washington	DC	20077	501 (c)(3)	PC	General Charitable Purpose
10/31/2013	250	Southwest Ohio Doberman Rescue	2524 Jett Hill Road	New Richmond	OH	45157	501 (c)(3)	PC	General Charitable Purpose
11/17/2013	10,000	Texas Biomedical Research Institute	PO Box 760549	San Antonio	TX	78245	501 (c)(3)	PC	General Charitable Purpose
10/7/2013	600	Knoxville Museum of Art	1050 Worlds Fair Park Dr	Knoxville	TN	37916	501 (c)(3)	PC	General Charitable Purpose
10/17/2013	2,500	Childrens Medical Foundation	1935 Motor Street	Dallas	TX	78535	501 (c)(3)	PC	General Charitable Purpose
11/4/2013	2,000	United Way of San Antonio	1301 Hannah Ave	Knoxville	TN	37921	501 (c)(3)	PC	General Charitable Purpose
11/4/2013	2,328	HiLand Child Care	845 Perry Hwy	Pittsburgh	PA	15229	501 (c)(3)	PC	General Charitable Purpose
11/18/2013	500	Family Service	702 San Pedro	San Antonio	TX	78212	501 (c)(3)	PC	General Charitable Purpose
11/18/2013	1,500	San Antonio Junior Forum	8814 Tradeway	San Antonio	TX	78217	501 (c)(3)	PC	General Charitable Purpose
11/23/2013	1,000	Early Connections Learning Centeres	104 E Rio Grande	Colorado Springs	CO	80903	501 (c)(3)	PC	General Charitable Purpose
11/30/2013	1,000	Wounded Warrior Project	4899 Belfort Road, Ste 300	Jacksonville	FL	32256	501 (c)(3)	PC	General Charitable Purpose
11/30/2013	1,000	Boysville	PO Box 369	Converse	TX	78109	501 (c)(3)	PC	General Charitable Purpose
11/30/2013	1,000	Boys & Girls Club of SA	600 S W 19th St	San Antonio	TX	78207	501 (c)(3)	PC	General Charitable Purpose
12/3/2013	1,500	Boys & Girls Club of SA	600 S W 19th St	San Antonio	TX	78207	501 (c)(3)	PC	General Charitable Purpose
12/13/2013	30,000	Roy Maas Youth Alternatives	3103 West Ave	San Antonio	TX	78213	501 (c)(3)	PC	General Charitable Purpose
12/10/2013	5,000	Valero Energy Foundation	1 Valero Way	San Antonio	TX	78249	501 (c)(3)	PC	General Charitable Purpose
12/16/2013	5,000	San Antonio Food Bank	4311 Director's Drive	San Antonio	TX	78219	501 (c)(3)	PC	General Charitable Purpose
12/16/2013	1,000	St Jude's Ranch for Children	PO Box 60100	Boulder City	NV	89006	501 (c)(3)	PC	General Charitable Purpose
12/19/2013	2,500	The Smile Train	245 5th Avenue, Ste 2201	New York	NY	10016	501 (c)(3)	PC	General Charitable Purpose

Total Contributions 434,328