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

2013

Department of the Treasury
Internal Revenue Service

Do not enter Social Security numbers on this form as it may be made public.
Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

For calendar year 2013, or tax year beginning , 2013, and ending

The Prairie Foundation
6101 Holiday Hill Road
Midland, TX 79707-1631

A Employer identification number
75-6012458

B Telephone number (see the instructions)
(432) 683-1777

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

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 ☐

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

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

I Fair market value of all assets at end of year (from Part II, column (c), line 16)
\$ 8,393,852.

J Accounting method: ☒ Cash ☐ Accrual
☐ Other (specify) _____
(Part I, column (d) must be on cash basis)

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

Part I Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)

(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received (att sch)			
2 Ck <input checked="" type="checkbox"/> if the foundn is not req to att Sch B			
3 Interest on savings and temporary cash investments			
4 Dividends and interest from securities	404,123.	404,123.	
5a Gross rents			
b Net rental income or (loss)			
6a Net gain/(loss) from sale of assets not on line 10	9,830.		
b Gross sales price for all assets on line 6a	495,915.		
7 Capital gain net income (from Part IV, line 2)	9,830.		
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/(loss) (att sch)			
11 Other income (attach schedule)			
See Statement 1	31,250.	31,250.	
12 Total. Add lines 1 through 11	445,203.	445,203.	0.
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 sch)			
c Other prof fees (attach sch)			
17 Interest			
18 Taxes (attach schedule) (see instrs)	8,211.		
19 Depreciation (attach sch) and depletion			
20 Occupancy			
21 Travel, conferences, and meetings			
22 Printing and publications			
23 Other expenses (attach schedule)			
See Statement 3	49,192.	39.	39.
24 Total operating and administrative expenses. Add lines 13 through 23	57,403.	39.	39.
25 Contributions, gifts, grants paid Part XV	488,250.		488,250.
26 Total expenses and disbursements. Add lines 24 and 25	545,653.	39.	488,289.
27 Subtract line 26 from line 12			
a Excess of revenue over expenses and disbursements	-100,450.		
b Net investment income (if negative, enter -0-)		445,164.	
c Adjusted net income (if negative, enter -0-)		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		103,622.	45,969.	45,969.
	2	Savings and temporary cash investments		329,045.	174,079.	174,079.
	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 sch)				
		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)		7,654,692.	7,766,861.	8,173,804.
	b	Investments — corporate stock (attach schedule)				
	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)		500,000.	500,000.		
14	Land, buildings, and equipment: basis					
	Less: accumulated depreciation (attach schedule)					
15	Other assets (describe ▶ See Statement 4)		2.	2.		
16	Total assets (to be completed by all filers — see the instructions. Also, see page 1, item I)		8,587,361.	8,486,911.	8,393,852.	
LIABILITIES	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, & 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 type="checkbox"/>					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>					
	27	Capital stock, trust principal, or current funds				
	28	Paid-in or capital surplus, or land, building, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds		8,587,361.	8,486,911.	
	30	Total net assets or fund balances (see instructions).		8,587,361.	8,486,911.	
	31	Total liabilities and net assets/fund balances (see instructions)		8,587,361.	8,486,911.	

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	8,587,361.
2	Enter amount from Part I, line 27a	2	-100,450.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	8,486,911.
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	8,486,911.

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 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a 484,000 shs CORP AT&T Inc.		P	2/26/08	1/01/13
b				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 495,915.		486,085.	9,830.
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			9,830.
b			
c			
d			
e			

2 Capital gain net income or (net capital loss).	<div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div>		2	9,830.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):	<div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8 </div>		3	0.

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 (column (b) divided by column (c))
2012	333,936.	8,957,845.	0.037279
2011	365,421.	8,655,560.	0.042218
2010	380,851.	8,513,501.	0.044735
2009	394,396.	8,258,245.	0.047758
2008	376,813.	8,149,791.	0.046236

2 Total of line 1, column (d)	2	0.218226
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	0.043645
4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5	4	8,771,264.
5 Multiply line 4 by line 3	5	382,822.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	4,452.
7 Add lines 5 and 6	7	387,274.
8 Enter qualifying distributions from Part XII, line 4	8	488,289.

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.

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

1 a 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 instrs)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here. <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	4,452.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (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	4,452.
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	4,452.
6 Credits/Payments:			
a 2013 estimated tax pmts and 2012 overpayment credited to 2013	6 a	8,480.	
b Exempt foreign organizations—tax withheld at source	6 b		
c Tax paid with application for extension of time to file (Form 8868)	6 c		
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments. Add lines 6a through 6d	7	8,480.	
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	0.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	4,028.	
11 Enter the amount of line 10 to be: Credited to 2014 estimated tax	11	0.	
		4,028.	Refunded

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)? <i>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</i>		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"/> \$ 0. (2) On foundation managers <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities</i>		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? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a 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? <i>If 'Yes,' attach the statement required by General Instruction T</i>		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? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a 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? <i>If 'No,' attach explanation</i>	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 2013 or the taxable year beginning in 2013 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X

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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 <u>N/A</u>	13	X	
14	The books are in care of <u>Lynda D. James</u> Telephone no. <u>(432) 683-1777</u> Located at <u>6101 Holiday Hill Road</u> ZIP + 4 <u>79707-1631</u>			
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 <u>N/A</u>	15		N/A
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		X
See the 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

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

	Yes	No
1 a 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 <input type="checkbox"/>	1 b	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 2013?	1 c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years <u>20 __ , 20 __ , 20 __ , 20 __</u>		
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.)	2 b	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. ▶ <u>20 __ , 20 __ , 20 __ , 20 __</u>		
3 a 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 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.)	3 b	N/A
4 a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	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 2013?	4 b	X

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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)?

Organizations relying on a current notice regarding disaster assistance check here.

☐

5 b

N/A

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

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d)

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

If 'Yes' to 6b, file Form 8870

6 b

X

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

7 b

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
Robert T. Dickson 6101 Holiday Hill Road Midland, TX 79707-1631	Pres./Direct 0	0.	0.	0.
Norbert J. Dickman 6101 Holiday Hill Road Midland, TX 79707-1631	V.P./Directo 0	0.	0.	0.
Charles F. Hedges, Jr. 6101 Holiday Hill Road Midland, TX 79707-1631	Sec./Directo 0	0.	0.	0.
Lynda James 6101 Holiday Hill Road Midland, TX 79707-1631	Treas./Direc 0	0.	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

0

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (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	0.

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

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes:		
a Average monthly fair market value of securities	1 a	8,428,933.
b Average of monthly cash balances	1 b	475,904.
c Fair market value of all other assets (see instructions)	1 c	
d Total (add lines 1a, b, and c)	1 d	8,904,837.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e	0.
2 Acquisition indebtedness applicable to line 1 assets	2	0.
3 Subtract line 2 from line 1d	3	8,904,837.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	133,573.
5 Net value of noncharitable-use assets Subtract line 4 from line 3. Enter here and on Part V, line 4	5	8,771,264.
6 Minimum investment return Enter 5% of line 5	6	438,563.

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	438,563.
2 a Tax on investment income for 2013 from Part VI, line 5	2 a	4,452.	
b Income tax for 2013. (This does not include the tax from Part VI.)	2 b		
c Add lines 2a and 2b	2 c	4,452.	
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	434,111.	
4 Recoveries of amounts treated as qualifying distributions	4		
5 Add lines 3 and 4	5	434,111.	
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	434,111.	

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	1 a	488,289.
b Program-related investments— total from Part IX-B	1 b	
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)	3 a	
b Cash distribution test (attach the required schedule)	3 b	
4 Qualifying distributions Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	488,289.
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	4,452.
6 Adjusted qualifying distributions Subtract line 5 from line 4	6	483,837.

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				434,111.
2 Undistributed income, if any, as of the end of 2013:				
a Enter amount for 2012 only			194,270.	
b Total for prior years: 20____, 20____, 20____		0.		
3 Excess distributions carryover, if any, to 2013:				
a From 2008				
b From 2009				
c From 2010				
d From 2011				
e From 2012				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2013 from Part XII, line 4: ▶ \$ 488,289.				
a Applied to 2012, but not more than line 2a			194,270.	
b Applied to undistributed income of prior years (Election required — see instructions)		0.		
c Treated as distributions out of corpus (Election required — see instructions)	0.			
d Applied to 2013 distributable amount				294,019.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2013 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount — see instructions		0.		
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				140,092.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2008 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2009				
b Excess from 2010				
c Excess from 2011				
d Excess from 2012				
e Excess from 2013				

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

N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2013, 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)

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

Tax year	Prior 3 years			(e) Total
(a) 2013	(b) 2012	(c) 2011	(d) 2010	
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).)
- None
- b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.
- None

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

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

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

See Statement 5

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

See Statement for Line 2a

- c Any submission deadlines:

See Statement for Line 2a

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

See Statement for Line 2a

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 6				
Total			3 a	488,250.
b Approved for future payment				
Total			3 b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

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) Exclu- sion 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			14		
4	Dividends and interest from securities			14	404,123.	
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			14	31,250.	
8	Gain or (loss) from sales of assets other than inventory					9,830.
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue:					
a						
b						
c						
d						
e						
12	Subtotal. Add columns (b), (d), and (e)				435,373.	9,830.
13	Total. Add line 12, columns (b), (d), and (e)				13	445,203.

(See worksheet in line 13 instructions to verify calculations.)

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

[illegible]

2013

Federal Statements

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

	(a) Revenue per Books	(b) Net Investment Income	(c) Adjusted Net Income
Other Investment Income	\$ 31,250.	\$ 31,250.	
Total	\$ 31,250.	\$ 31,250.	\$ 0.

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

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Federal Income Tax	\$ 8,211.			
Total	\$ 8,211.	\$ 0.	\$ 0.	\$ 0.

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

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Amortization Expense	\$ 49,114.			
Telephone Charges	78.	\$ 39.		\$ 39.
Total	\$ 49,192.	\$ 39.	\$ 0.	\$ 39.

Statement 4
Form 990-PF, Part II, Line 15
Other Assets

	Book Value	Fair Market Value
Rounding	\$ 2.	
Total	\$ 2.	\$ 0.

Statement 5
Form 990-PF, Part XV, Line 2a-d
Application Submission Information

Name of Grant Program: Prairie Foundation
 Name: Deborah Williams, Grants Comm. Chairman
 Care Of:
 Street Address: 6101 Holiday Hill Road
 City, State, Zip Code: Midland, TX 79707-1631

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Statement 5 (continued)
Form 990-PF, Part XV, Line 2a-d
Application Submission Information

Telephone: (432) 683-1777
 E-Mail Address:
 Form and Content: See Attached - Copies available from Grants Committee Chairman
 Submission Deadlines: No deadlines
 Restrictions on Awards: Midland, Odessa, and Laredo Texas and San Francisco Bay Area

Statement 6
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
Big Brothers-Big Sisters 1007 W. Texas Midland, TX 79701	None	None	*To assist named recipient to carry out its exempt purpose.	\$ 2,500.
Casa de Amigos 1101 E. Garden Lane Midland, TX 79701	None	None	*See Above	15,000.
Christmas in Action P.O. Box 3744 Midland, TX 79702	None	None	*See Above	5,000.
Community & Senior Serv 3301 Sinclair Ave. Midland, TX 79707	None	None	*See Above	5,000.
Midland Need to Read 3600 N. Garfield Midland, TX 79705	None	None	*See Above	2,500.
Midland Festival Ballet P.O. Box 52034 Midland, TX 79710	None	None	*See Above	2,500.
Midland Community Theatre 2000 W. Wadley Midland, TX 79705	None	None	*See Above	7,500.
Midland Rape Crisis Cntr P.O. Box 10081 Midland, TX 79702	None	None	*See Above	5,000.
Midland Habitat/Humanity P.O. Box 2555 Midland, TX 79702	None	None	*See Above	60,000.

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Statement 6 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Found- ation Status	Purpose of Grant	Amount
Midland Children's Rehab Centr 802 Ventura Midland, TX 79705	None	None	*See Above	\$ 3,000.
Recording Library of West TX 2012 W. Cuthbert Midland, TX 79701	None	None	*See Above	5,000.
Midland Ass. for Retarded Cit. 2701 North A Street Midland, TX 79705	None	None	*See Above	20,000.
Samaritan Counseling Cntr P.O. Box 60312 Midland, TX 79711	None	None	*See Above	5,000.
Thacher School 5025 Thacher Road Ojai, CA 93023	None	None	*See Above	25,000.
United Way of Midland 1209 West Wall Midland, TX 79701	None	None	*See Above	10,000.
YMCA of Midland P.O. Box 954 Midland, TX 79702	None	None	*See Above	3,000.
Safe Place PO Box 11331 Midland, TX 79702	None	None	*See Above	20,000.
Laredo Center for the Arts 500 San Agustin Avenue Laredo, TX 78040	None	None	*See Above	10,000.
Centers for Children/Families 1004 N. Big Spring, Suite 325 Midland, TX 79701	None	None	*See Above	5,000.
Boys and Girls Clubs Midland 2500 Sinclair Midland, TX 79705	None	None	*See Above	5,000.

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Statement 6 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Found- ation Status	Purpose of Grant	Amount
Midland Teen Court 615 W. Missouri, #226 Midland, TX 79701	None	None	*See Above	\$ 1,000.
Midland Memorial Foundation 2200 W. Illinois Midland, TX 79701	None	None	*See Above	10,000.
University of Permian Basin 4901 E. University Blvd. Odessa, TX 79762	None	None	*See Above	10,000.
Cook Children's Medical Center 801 7th Avenue Fort Worth, TX 76104	None	None	*See Above	3,000.
Sacred Heart Children's Home 3310 South Zapata Hwy Laredo, TX 78046	None	None	*See Above	10,000.
Napa Valley Wine Library P.O. Box 328 St. Helena, CA 94574	None	None	*See Above	30,000.
Palmer Drug Abuse Program 1201 West Texas Midland, TX 79701	None	None	*See Above	5,000.
Rianda House - Upper Valley 1475 Main Street St. Helena, CA 94574	None	None	*See Above	31,750.
Sunrise Horse Rescue 1098 Lodi Lane St. Helena, CA 94574	None	None	*See Above	30,000.
Carmel Bach Festival, Inc. PO Box 575 Carmel, CA 93921	None	None	*See Above	5,000.
St. Helena Montessori School 1328 Spring Street St. Helena, CA 94574	None	None	*See Above	50,000.
Mission Health Care, Inc. 4500 West Illinois, Suite 112 Midland, TX 79702	None	None	*See Above	5,000.

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Statement 6 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Found- ation Status	Purpose of Grant	Amount
Teen F.L.O.W. Youth Ministries PO Box 733 Midland, TX 79702	None	None	*See Above	\$ 1,000.
Buckner Children and Family Services PO Box 50872 Midland, TX 79705	None	None	*See Above	5,000.
West Texas Food Bank PO Box 4242 Odessa, TX 79760	None	None	*See Above	5,000.
Community Children's Clinic P.O. Box 3328 Midland, TX 79702	None	None	*See Above	3,500.
Border Olympics, Inc. P.O. Box 450037 Laredo, TX 78043	None	None	*See Above	10,000.
Casa de Misericordia P.O. Box 430175 Laredo, TX 78043	None	None	*See Above	10,000.
Laredo Children's Museum Ft. MacIntosh, P-56 Lcc Campus Laredo, TX 78040	None	None	*See Above	10,000.
KDFC Classical Public Radio Network 201 Third Street San Francisco, CA 94103	None	None	*See Above	5,000.
Monterey Bay Labrador Retriever Rescue P.O. Box 269 Pebble Beach, CA 93953	None	None	*See Above	15,000.
Bush Tennis Center P.O. Box 4914 Midland, TX 79704	None	None	*See Above	10,000.
JDRF Panhandle/West Texas 3611 Soncy Road, Suite 6A Amarillo, TX 79119	None	None	*See Above	2,000.
Teen Challenge of the Permian Basin P.O. Box 251 Midland, TX 79702	None	None	*See Above	5,000.

Total \$ 488,250.