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Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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▶ 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 06-01-2013, and ending 05-31-2014

Name of foundation H E AND RUBY PELZ TR 2		A Employer identification number 74-6392477
Number and street (or P O box number if mail is not delivered to street address) PO BOX 1496	Room/suite	B Telephone number (see instructions)
City or town, state or province, country, and ZIP or foreign postal code MARSHALL, TX 756711496		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) ▶ \$ 1,378,910	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> 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 <input type="checkbox"/>

Part I Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))</small>		(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)				
	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	33,527	33,527	33,527	
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	43,038			
	b Gross sales price for all assets on line 6a 165,209				
	7 Capital gain net income (from Part IV, line 2)		43,038		
	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)					
12 Total. Add lines 1 through 11	76,565	76,565	33,527		
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)	6,967	5,225	6,967	1,742
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see instructions)				
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy	2,400	1,200	2,400	1,200
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	12,465	12,457	12,465	8
	24 Total operating and administrative expenses. Add lines 13 through 23	21,832	18,882	21,832	2,950
	25 Contributions, gifts, grants paid	48,075			48,075
26 Total expenses and disbursements. Add lines 24 and 25	69,907	18,882	21,832	51,025	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	6,658				
b Net investment income (if negative, enter -0-)		57,683			
c Adjusted net income (if negative, enter -0-)			11,695		

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

Part II Balance Sheets		Beginning of year			End of year		
		(a) Book Value	(b) Book Value	(c) Fair Market Value	(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing	10,818	5,380	5,380		
	2	Savings and temporary cash investments	29,383	14,079	14,079		
	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 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)	647,168 <input checked="" type="checkbox"/>	717,826	1,344,439		
	c	Investments—corporate bonds (attach schedule)	58,691 <input checked="" type="checkbox"/>	14,946	15,012		
	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)	746,060	752,231	1,378,910			
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 <input type="checkbox"/>						
	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 <input checked="" type="checkbox"/>						
	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	746,060	752,231				
30	Total net assets or fund balances (see page 17 of the instructions)	746,060	752,231				
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	746,060	752,231				

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	746,060
2	Enter amount from Part I, line 27a	2	6,658
3	Other increases not included in line 2 (itemize) ▶ _____	3	
4	Add lines 1, 2, and 3	4	752,718
5	Decreases not included in line 2 (itemize) ▶ _____ <input checked="" type="checkbox"/>	5	487
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	752,231

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 See Additional Data Table			
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 See Additional Data Table			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a See Additional Data Table			
b			
c			
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	43,038
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	47,375	1,176,379	0.040272
2011	51,708	1,093,983	0.047266
2010	57,918	1,042,948	0.055533
2009	55,658	988,692	0.056295
2008	54,919	985,529	0.055725

2 Total of line 1, column (d).	2	0.255091
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	0.051018
4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5.	4	1,312,942
5 Multiply line 4 by line 3.	5	66,984
6 Enter 1% of net investment income (1% of Part I, line 27b).	6	577
7 Add lines 5 and 6.	7	67,561
8 Enter qualifying distributions from Part XII, line 4.	8	51,025

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 <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	1,154
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	1,154
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	1,154
6	Credits/Payments		
a	2013 estimated tax payments and 2012 overpayment credited to 2013	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 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	1,154
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 <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?	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)? <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>	1b	No
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 <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? <i>If "Yes," attach a detailed description of the activities.</i>	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? <i>If "Yes," attach a conformed copy of the changes</i>	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? <i>If "Yes," attach the statement required by General Instruction T.</i>	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	No
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV.</i>	7	Yes
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? <i>If "No," attach explanation .</i>	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)? <i>If "Yes," complete Part XIV</i>	9	No
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses.</i>	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 CARY M ABNEY Telephone no (903) 938-9255
Located at PO BOX 1496 MARSHALL TX ZIP +4 75671
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 -Check here 15
and enter the amount of tax-exempt interest received or accrued during the year
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 Yes 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

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 No
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)

<p>5a During the year did the foundation pay or incur any amount to</p> <p>(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(3) Provide a grant to an individual for travel, study, or other similar purposes? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(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). <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Organizations relying on a current notice regarding disaster assistance check here. <input type="checkbox"/></p> <p>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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," attach the statement required by Regulations section 53.4945–5(d).</p> <p>6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes" to 6b, file Form 8870.</p> <p>7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	5b		
	6b		No
	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
WILLIAM A ABNEY PO BOX 1386 MARSHALL, TX 75671	CO TRUSTEE 2 00	2,400	0	0
ALLEN STAGGERS 3017 ROSBOROUGH SPRINGS ROAD MARSHALL, TX 75672	CO TRUSTEE 1 00	0	0	0
CARY M ABNEY PO BOX 1496 MARSHALL, TX 75671	SECRETARY CO TRUSTEE 4 00	6,967	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	Expenses
1 MICHELSON MUSEUM OF ART CONSERVESEXHIBITS PAINTINGS AND PROVIDES ART LESSONS AND ENHANCES CREATIVITY FOR CHILDREN SERVES 8000 PERSONS ANNUALLY	5,000
2 SOCIETY OF ST STEPHEN PROVIDES INDIGENT FAMILIES IN THE HARRISON COUNTY AREA WITH VARIOUS NEEDS SERVES OVER 400 AREA CHILDREN ANNUALLY	5,000
3 TRINITY EPISCOPAL CHURCH IS A RELIGIOUS ORGANIZATION SERVING OVER 400 FAMILIES	5,000
4 TRINITY EPISCOPAL SCHOOL IS A RELIGIOUS ORGANIZATION SERVING OVER 400 FAMILIES	5,000

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	1,298,392
b	Average of monthly cash balances.	1b	34,544
c	Fair market value of all other assets (see instructions).	1c	0
d	Total (add lines 1a, b, and c).	1d	1,332,936
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	1,332,936
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	19,994
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	1,312,942
6	Minimum investment return. Enter 5% of line 5.	6	65,647

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	65,647
2a	Tax on investment income for 2013 from Part VI, line 5.	2a	1,154
b	Income tax for 2013 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	1,154
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	64,493
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	64,493
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	64,493

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	51,025
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	51,025
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	
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	51,025

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				64,493
2 Undistributed income, if any, as of the end of 2013				
a Enter amount for 2012 only.			44,945	
b Total for prior years 20___, 20___, 20___				
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.				
4 Qualifying distributions for 2013 from Part XII, line 4 ▶ \$ <u>51,025</u>				
a Applied to 2012, but not more than line 2a			44,945	
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.				6,080
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2013 <i>(If an amount appears in column (d), the same amount must be shown in column (a).)</i>				
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 2012 Subtract line 4a from line 2a Taxable amount—see instructions				
f Undistributed income for 2013 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2014				58,413
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).				
9 Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a.				
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)

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)

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) 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 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))

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 address of the person to whom applications should be addressed

WILLIAM A ABNEY
PO BOX 1386
MARSHALL, TX 75671
(903) 938-6611

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

LETTER

c Any submission deadlines

NONE

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

EDUCATIONAL SCIENTIFIC RELIGIOUS OR TO RELIEVE SUFFERING

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 <i>Paid during the year</i> See Additional Data Table				
Total				▶ 3a 48,075
b <i>Approved for future payment</i>				
Total				▶ 3b 0

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
260 SPDR S&P 500 ETF TRUST	P	2010-01-01	2013-06-27
PIMCO CAPITAL GAIN DISTRIBUTION	P	2010-01-01	2013-12-13
CATERPILLAR FINL SVCS	P	2010-01-01	2014-02-18
CONOCOPHILLIPS	P	2010-01-01	2014-02-03
5000 ULTRASHORT BOND FUND	P	2010-01-01	2014-02-27
85 SPDR S&P MIDCAP 400	P	2010-01-01	2014-02-12
200 GENERAL ELECTRIC	P	2010-01-01	2014-05-27
50 3M CO	P	2010-01-01	2014-05-27

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
41,895		21,754	20,141
579			579
25,000		25,000	
19,000		19,000	
45,800		46,061	-261
20,569		8,005	12,564
5,306		1,071	4,235
7,060		1,280	5,780

Form 990PF Part XV Line 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 <i>Paid during the year</i>				
MICHELSON MUSEUM OF ART PO BOX 8290 MARSHALL, TX 756718290	NONE		OPERATIONS	5,000
BOYS AND GIRLS CLUB PO BOX 2041 MARSHALL, TX 756712041	NONE		OPERATIONS	2,500
SOCIETY OF ST STEPHENS 300 E HOUSTON MARSHALL, TX 75670	NONE		OPERATIONS	5,000
TRINITY EPISCOPAL SCHOOL 2905 ROSBOROUGH SPRINGS ROAD MARSHALL, TX 75672	NONE		OPERATIONS	5,000
COMMUNITY SERVICES OF NE TEXAS 106 E CROCKETT MARSHALL, TX 75670	NONE		OPERATIONS	2,500
MARSHALL REGIONAL ARTS COUNCIL 2501 EAST END BLVD SOUTH MARSHALL, TX 75670	NONE		OPERATIONS	1,000
HARRISON CO HISTORICAL MUSEUM PO BOX 1987 MARSHALL, TX 75671	NONE		OPERATIONS	1,000
EMPTY STOCKING FUND PO BOX 1028 MARSHALL, TX 756711028	NONE		OPERATIONS	2,500
NEWGATE MISSION 207 N MOBBERLY AVE LONGVIEW, TX 75602	NONE		OPERATIONS	3,000
LIVING ALTERNATIVES PO BOX 211 MARSHALL, TX 75671	NONE		OPERATIONS	2,000
MARSHALL HARRISON CO LITERACY PO BOX 148 MARSHALL, TX 756710148	NONE		OPERATIONS	2,500
UNITED CHURCHES FOOD PANTRY PO BOX 1601 MARSHALL, TX 756711601	NONE		OPERATIONS	3,500
TRINITY EPISCOPAL CHURCH 106 N GROVE MARSHALL, TX 75670	NONE		OPERATIONS	5,000
WINDRIDGE THERAPEUDIC PO BOX LONGVIEW, TX 75601	NONE		OPERATIONS	1,000
LIONS DISTRICT 6645 N HIGHWAY 59 MARSHALL, TX 75672	NONE		OPERATIONS	1,000
Total			3a	48,075

Form 990PF Part XV Line 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 <i>Paid during the year</i>				
MARSHALL SYMPHONY SOCIETY 203 PINEY LOOP MARSHALL, TX 75672	NONE		OPERATIONS	1,000
MARSHALL MISSION FAITH CLINI PO BOX MARSHALL, TX 75671	NONE		OPERATIONS	1,500
TWELVE WAY FOUNDATION 3901 ELYSIAN FIELDS ROAD MARSHALL, TX 75672	NONE		OPERATIONS	2,000
GOOD SHEPHERD MEDICAL CENTER PO BOX MARSHALL, TX 75671	NONE		ASSISTANCE	175
LARRY FORD CONSTRUCTION PO BOX MARSHALL, TX 75671	NONE		ASSISTANCE	500
VARNESSE SLADE PO BOX MARSHALL, TX 75671	NONE		ASSISTANCE	400
Total			3a	48,075

TY 2013 Accounting Fees Schedule

Name: H E AND RUBY PELZ TR 2

EIN: 74-6392477

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES	6,967	5,225	6,967	1,742

**TY 2013 Investments Corporate
Bonds Schedule**

Name: H E AND RUBY PELZ TR 2

EIN: 74-6392477

Name of Bond	End of Year Book Value	End of Year Fair Market Value
CATERPILLAR FINL SVCS	0	0
CONOCOPHILLIPS GTD	0	0
GENERAL ELECTRIC CAP	14,946	15,012

TY 2013 Investments Corporate Stock Schedule

Name: H E AND RUBY PELZ TR 2

EIN: 74-6392477

Name of Stock	End of Year Book Value	End of Year Fair Market Value
100 AT&T	2,610	3,547
300 BANK OF AMERICA	3,475	4,542
280 BUCKEYE PARTNERS	18,527	21,969
535 CHEVRON	11,066	65,693
150 DUPONT	8,329	10,396
650 EXXON MOBIL	7,566	65,344
400 FRONTIER COMMUNICATIONS	3,648	2,316
2600 GENERAL ELECTRIC	13,921	69,654
20 IBM	2,836	3,687
250 INTL PAPER	8,202	11,907
600 ISHARES TR MSCI EAFE	31,662	41,646
575 ISHARES TR RUSSELL 2000 TR	32,200	56,850
550 KIMBERLY CLARK	14,529	61,792
180 KINDER MORGAN ENERGY	12,523	13,689
600 MERCK AND CO	10,738	34,716
100 NEXTERA ENERGY INC	3,896	9,736
125 NORTHROP GRUMMAN CORP	8,153	15,194
600 PLAINS ALL AMERICAN	18,393	33,882
187 RAYONIER INC	8,286	8,901
1000 SPDR SP 500 ETF TRUST	83,670	192,680
750 SPDR SP MIDCAP 400 ETF	70,635	188,160
250 SYSCO CORP	7,758	9,383
450 3M CO	11,520	64,148
200 VERIZON COMMUNICATIONS	7,521	9,992
200 YUM BRANDS INC	5,160	15,462
2289 FED ULTRASHORT BOND FD	20,929	21,014
6396 FID ADV INV GRADE	49,500	50,721
18158 PIMCO FDS TOTAL RETURN	197,349	198,838
76 ANADARKO PETE	6,352	7,817
80 BOEING	6,126	10,820

Name of Stock	End of Year Book Value	End of Year Fair Market Value
114 WALT DISNEY CO	6,172	9,577
94 FLUOR CORP	6,149	7,058
128 JPMORGAN CHASE	6,193	7,113
94 QUALCOMM INC	6,268	7,562
170 WELLS FARGO	5,964	8,633

TY 2013 Other Decreases Schedule

Name: H E AND RUBY PELZ TR 2

EIN: 74-6392477

Description	Amount
EXCISE TAX	487

TY 2013 Other Expenses Schedule

Name: H E AND RUBY PELZ TR 2

EIN: 74-6392477

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
BANK AND ADVISORY FEES	12,457	12,457	12,457	0
BANK SERVICE CHARGE	8	0	8	8