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Form **990-PF****Return of Private Foundation**

OMB No 1545-0052

**2014**Department of the Treasury  
Internal Revenue Serviceor Section 4947(a)(1) Trust Treated as Private Foundation  
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Open to Public Inspection

For calendar year 2014 or tax year beginning

, 2014, and ending

, 20

Name of foundation

THE TERRY FOUNDATION

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

3104 EDLOE

Room/suite

300

City or town, state or province, country, and ZIP or foreign postal code

HOUSTON, TX 77027

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) \$ 365,331,240.

J Accounting method: ☒ Cash ☐ Accrual☐ Other (specify) \_\_\_\_\_

(Part I, column (d) must be on cash basis)

A Employer identification number

31-1551093

B Telephone number (see instructions)

(713) 552-0002

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 ☐**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)

	(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 (attach schedule)	51,182,654.			
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities	8,803,755.	8,803,755.		ATCH 1
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	41,343,965.			
b Gross sales price for all assets on line 6a	41,343,965.			
7 Capital gain net income (from Schedule D)		41,343,965.		
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) ATCH 2	2,002,712.	2,002,712.		
12 Total. Add lines 1 through 11	103,333,086.	52,150,432.		
13 Compensation of officers, directors, trustees, etc.	786,102.	262,334.		523,768.
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule) ATCH 3	3,799.	1,900.		1,899.
b Accounting fees (attach schedule) ATCH 4	41,600.	41,600.		
c Other professional fees (attach schedule) [5]	1,114,047.	1,114,047.		
17 Interest ATCH 6				
18 Taxes (attach schedule) (see instructions) [7]	1,660,374.	60,106.		
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications	6,587.			6,587.
23 Other expenses (attach schedule) ATCH 8	2,883,433.	177,811.		2,705,622.
24 Total operating and administrative expenses. Add lines 13 through 23	6,495,942.	1,657,798.		3,237,876.
25 Contributions, gifts, grants paid	20,614,322.			20,614,322.
26 Total expenses and disbursements. Add lines 24 and 25	27,110,264.	1,657,798.	0	23,852,198.
27 Subtract line 26 from line 12.				
a Excess of revenue over expenses and disbursements	76,222,822.			
b Net investment income (if negative, enter -0-)		50,492,634.		
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
<b>Assets</b>	1 Cash - non-interest-bearing . . . . .			
	2 Savings and temporary cash investments . . . . .	9,005,550.	3,526,666.	3,526,666.
	3 Accounts receivable ▶ 226.			
	Less: allowance for doubtful accounts ▶	207,481.	226.	226.
	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 . . . . .			
	10 a Investments - U S and state government obligations (attach schedule) .			
	b Investments - corporate stock (attach schedule) ATCH 9	181,807,953.	241,156,272.	251,141,022.
	c Investments - corporate bonds (attach schedule) ATCH 10	31,875,745.	46,705,402.	52,916,592.
	11 Investments - land, buildings, and equipment basis ▶			
<b>Liabilities</b>	Less: accumulated depreciation ▶ (attach schedule)			
	12 Investments - mortgage loans . . . . .			
	13 Investments - other (attach schedule) ATCH 11	47,486,105.	55,487,884.	57,660,133.
	14 Land, buildings, and equipment basis ▶			
	Less: accumulated depreciation ▶ (attach schedule)			
	15 Other assets (describe ▶ ATCH 12)	95,710.	86,601.	86,601.
	16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I) . . . . .	270,478,544.	346,963,051.	365,331,240.
	17 Accounts payable and accrued expenses . . . . .			
	18 Grants payable . . . . .			
	19 Deferred revenue . . . . .			
<b>Net Assets or Fund Balances</b>	20 Loans from officers, directors, trustees, and other disqualified persons .			
	21 Mortgages and other notes payable (attach schedule) . . . .			
	22 Other liabilities (describe ▶ ATCH 13)		261,685.	
	23 Total liabilities (add lines 17 through 22) . . . . .	0	261,685.	
	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>			
	and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted . . . . .			
<b>Net Assets or Fund Balances</b>	25 Temporarily restricted . . . . .			
	26 Permanently restricted . . . . .			
	Foundations that do not follow SFAS 117, . . . ▶ <input checked="" type="checkbox"/>			
	check here and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds . . . . .	230,991,833.	282,160,729.	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund . . . .			
	29 Retained earnings, accumulated income, endowment, or other funds . .	39,486,711.	64,540,637.	
<b>Net Assets or Fund Balances</b>	30 Total net assets or fund balances (see instructions) . . . . .	270,478,544.	346,701,366.	
	31 Total liabilities and net assets/fund balances (see instructions) . . . . .	270,478,544.	346,963,051.	

**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	270,478,544.
2 Enter amount from Part I, line 27a . . . . .	2	76,222,822.
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3 . . . . .	4	346,701,366.
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	346,701,366.

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**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.)
<b>1a</b> SEE PART IV SCHEDULE					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
(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)		
<b>a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
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))		
<b>a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
<b>2</b> 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 }			<b>2</b>	41,343,965.	
<b>3</b> 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			<b>3</b>	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 (col. (b) divided by col. (c))
2013	16,705,233.	253,193,129.	0.065978
2012	11,414,844.	117,353,487.	0.097269
2011	11,026,854.	103,236,730.	0.106811
2010	10,083,192.	92,283,422.	0.109263
2009	10,192,203.	78,643,978.	0.129599
<b>2</b> Total of line 1, column (d)			<b>2</b> 0.508920
<b>3</b> 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			<b>3</b> 0.101784
<b>4</b> Enter the net value of noncharitable-use assets for 2014 from Part X, line 5			<b>4</b> 338,468,517.
<b>5</b> Multiply line 4 by line 3			<b>5</b> 34,450,680.
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)			<b>6</b> 504,926.
<b>7</b> Add lines 5 and 6			<b>7</b> 34,955,606.
<b>8</b> Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions			<b>8</b> 23,852,198.

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 . . . . .		
	Date of ruling or determination letter _____ (attach copy of letter if necessary - see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b . . . . .	1	1,009,853.
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	1,009,853.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-) . . . . .	4	0
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0- . . . . .	5	1,009,853.
6	<b>Credits/Payments:</b>		
a	2014 estimated tax payments and 2013 overpayment credited to 2014 . . . . .	6a	1,200,000.
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	<b>Total credits and payments.</b> Add lines 6a through 6d . . . . .	7	1,200,000.
8	Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached . . . . .	8	
9	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b> . . . . .	9	
10	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b> . . . . .	10	190,147.
11	Enter the amount of line 10 to be: <b>Credited to 2015 estimated tax</b> 190,147. <b>Refunded</b> . . . . .	11	

**Part VII-A Statements Regarding Activities**

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign? . . . . .		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? . . . . . If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
c Did the foundation file Form 1120-POL for this year? . . . . .		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation ▶ \$ _____ (2) On foundation managers ▶ \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? . . . . . If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes . . . . .		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year? . . . . .		X
b If "Yes," has it filed a tax return on Form 990-T for this year? . . . . .		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? . . . . . If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument? . . . . .	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ TX, _____		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation . . . . .	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2014 or the taxable year beginning in 2014 (see instructions for Part XIV)? If "Yes," complete Part XIV . . . . .		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses . . . . .	X	

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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 <b>WWW.TERRYFOUNDATION.ORG</b>	13	X	
14	The books are in care of <b>STORMS &amp; CRITZ</b> Telephone no. <b>(281) 497-0332</b> Located at <b>1202A DAIRY ASHFORD HOUSTON, TX</b> ZIP+4 <b>77079-3004</b>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year. <b>15</b>			
16	At any time during calendar year 2014, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114, (formerly TD F 90-22.1) If "Yes," enter the name of the foreign country <b>16</b>	Yes	No	

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	
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 2014?	1c	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 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years <b>16</b>		
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. <b>16</b>		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 2014 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 2014.)	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2014?	4b	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 4945(d)(4)(A)? (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 ☒ Nob Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

6b

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 ☒ Nob If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ 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
ATCH 14		786,102.	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. ☐

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**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	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
<b>1</b> N/A ----- ----- ----- -----	
<b>2</b> ----- ----- ----- -----	
All other program-related investments See instructions	
<b>3</b> N/A ----- ----- -----	
<b>Total.</b> Add lines 1 through 3 . . . . . ▶	

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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	1a	329,525,949.
b	Average of monthly cash balances	1b	14,096,911.
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	343,622,860.
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	
3	Subtract line 2 from line 1d	3	343,622,860.
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	5,154,343.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	338,468,517.
6	Minimum investment return. Enter 5% of line 5	6	16,923,426.

**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	16,923,426.
2a	Tax on investment income for 2014 from Part VI, line 5	2a	1,009,853.
b	Income tax for 2014. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	1,009,853.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	15,913,573.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	15,913,573.
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	15,913,573.

**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	23,852,198.
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	23,852,198.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	23,852,198.

**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 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7 . . . . .				15,913,573.
2 Undistributed income, if any, as of the end of 2014				
a Enter amount for 2013 only . . . . .				
b Total for prior years 20 <u>12</u> , 20 <u>11</u> , 20 <u>10</u> . . . . .				
3 Excess distributions carryover, if any, to 2014				
a From 2009 . . . . . 6,306,360.				
b From 2010 . . . . . 5,592,183.				
c From 2011 . . . . . 5,958,941.				
d From 2012 . . . . . 5,698,496.				
e From 2013 . . . . . 4,717,351.				
f Total of lines 3a through e . . . . .	28,273,331.			
4 Qualifying distributions for 2014 from Part XII, line 4: ► \$ <u>23,852,198.</u>				
a Applied to 2013, but not more than line 2a . . . . .				
b Applied to undistributed income of prior years (Election required - see instructions) . . . . .				
c Treated as distributions out of corpus (Election required - see instructions) . . . . .				
d Applied to 2014 distributable amount . . . . .				15,913,573.
e Remaining amount distributed out of corpus . . . . .	7,938,625.			
5 Excess distributions carryover applied to 2014. (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 . . . . .	36,211,956.			
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 2013 Subtract line 4a from line 2a Taxable amount - see instructions . . . . .				
f Undistributed income for 2014. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2015 . . . . .				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions) . . . . .				
8 Excess distributions carryover from 2009 not applied on line 5 or line 7 (see instructions) . . . . .	6,306,360.			
9 Excess distributions carryover to 2015. Subtract lines 7 and 8 from line 6a . . . . .	29,905,596.			
10 Analysis of line 9:				
a Excess from 2010 . . . . . 5,592,183.				
b Excess from 2011 . . . . . 5,958,941.				
c Excess from 2012 . . . . . 5,698,496.				
d Excess from 2013 . . . . . 4,717,351.				
e Excess from 2014 . . . . . 7,938,625.				

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

NOT APPLICABLE

- 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 2014, 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(i)(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

- 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) )

## ATTACHMENT 15

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

N/A

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

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

- a The name, address, and telephone number or e-mail address 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
<i>a Paid during the year</i>				
ATCH 16				
<b>Total</b> . . . . .			► <b>3a</b>	20,614,322.
<i>b Approved for future payment</i>				
<b>Total</b> . . . . .			► <b>3b</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)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	Related or exempt function income (See instructions.)
<b>1</b> Program service revenue:					
<b>a</b> _____					
<b>b</b> _____					
<b>c</b> _____					
<b>d</b> _____					
<b>e</b> _____					
<b>f</b> _____					
<b>g</b> Fees and contracts from government agencies					
<b>2</b> Membership dues and assessments . . . . .					
<b>3</b> Interest on savings and temporary cash investments					
<b>4</b> Dividends and interest from securities . . . . .			14	8,803,755.	
<b>5</b> Net rental income or (loss) from real estate:					
<b>a</b> Debt-financed property . . . . .					
<b>b</b> Not debt-financed property . . . . .					
<b>6</b> Net rental income or (loss) from personal property .					
<b>7</b> Other investment income . . . . .			15	2,002,712.	
<b>8</b> Gain or (loss) from sales of assets other than inventory			18	41,343,965.	
<b>9</b> Net income or (loss) from special events . . . . .					
<b>10</b> Gross profit or (loss) from sales of inventory . .					
<b>11</b> Other revenue: <b>a</b> _____					
<b>b</b> _____					
<b>c</b> _____					
<b>d</b> _____					
<b>e</b> _____					
<b>12</b> Subtotal. Add columns (b), (d), and (e) . . . . .				52,150,432.	
<b>13</b> Total. Add line 12, columns (b), (d), and (e) . . . . .					52,150,432.

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

[illegible]



**Schedule B**(Form 990, 990-EZ,  
or 990-PF)  
Department of the Treasury  
Internal Revenue Service**Schedule of Contributors**

OMB No 1545-0047

**2014**

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

▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Name of the organization

THE TERRY FOUNDATION

Employer identification number

31-1551093

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☐ 501(c)( ) (enter number) organization☐ 4947(a)(1) nonexempt charitable trust not treated as a private foundation☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation☐ 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

**Special Rules**

- ☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year . . . . . ▶ \$ \_\_\_\_\_

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

Name of organization THE TERRY FOUNDATION

Employer identification number  
31-1551093**Part I Contributors** (see instructions) Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	VARIOUS TERRY SCHOLAR ALUMNI 3104 EDLOE, SUITE 300 HOUSTON, TX 77027	\$ 13,758.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	H. L. TERRY & NANCY M. TERRY ESTATES 3104 EDLOE, SUITE 300 HOUSTON, TX 77027	\$ 51,168,896.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)



**FORM 990-PF - PART IV**  
**CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj. basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
1,884,099.		VARIOUS SECURITIES-UBS PROPERTY TYPE: SECURITIES				P	VARIOUS 1,884,099.	VARIOUS
5,629,797.		VARIOUS SECURITIES-UBS PROPERTY TYPE: SECURITIES				P	VARIOUS 5,629,797.	VARIOUS
10004555.		ESTATES OF NANCY/HOWARD TERRY K-1S PROPERTY TYPE: SECURITIES				P	VARIOUS 10004555.	VARIOUS
23772292.		ESTATES OF NANCT/HOWARD TERRY K-1S PROPERTY TYPE: SECURITIES				P	VARIOUS 23772292.	VARIOUS
12,205.		VARIOUS SECURITIES-MORGAN STANLEY PROPERTY TYPE: SECURITIES				P	VARIOUS 12,205.	VARIOUS
41,017.		VARIOUS LITIGATION SETTLEMENTS PROPERTY TYPE: SECURITIES				P	VARIOUS 41,017.	12/31/2014
TOTAL GAIN (LOSS) .....							<u>41343965.</u>	

ATTACHMENT 1FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
UBS-INTEREST	905,742.	905,742.
NANCY TERRY ESTATE-INTEREST	422,966.	422,966.
MORGAN STANLEY-INTEREST	308.	308.
UBS-DIVIDENDS	6,349,286.	6,349,286.
MORGAN STANLEY-DIVIDENDS	30,668.	30,668.
USCA-DIVIDENDS	2.	2.
NANCY TERRY ESTATE-DIVIDENDS	1,094,783.	1,094,783.
TOTAL	<u>8,803,755.</u>	<u>8,803,755.</u>

ATTACHMENT 2FORM 990PF, PART I - OTHER INCOME

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
ROYALTIES-CHEVRON/ENERVEST/BALLARD PARTNERSHIPS	18,729. 1,561,845.	18,729. 1,561,845.
OTHER INVESTMENT INCOME-PFIC	235,484.	235,484.
OTHER-NANCY TERRY ESTATE K-1	186,654.	186,654.
TOTALS	<u>2,002,712.</u>	<u>2,002,712.</u>

ATTACHMENT 3FORM 990PF, PART I - LEGAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
THOMPSON & KNIGHT	3,799.	1,900.		1,899.
TOTALS	<u>3,799.</u>	<u>1,900.</u>		<u>1,899.</u>

ATTACHMENT 4FORM 990PF, PART I - ACCOUNTING FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
STORMS & CRITZ - 2012 990PF	16,800.	16,800.		
STORMS & CRITZ-ACCOUNTING	24,800.	24,800.		
TOTALS	<u>41,600.</u>	<u>41,600.</u>		

ATTACHMENT 5FORM 990PF, PART I - OTHER PROFESSIONAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
INVESTMENT FEES-UBS	1,114,047.	1,114,047.
TOTALS	<u>1,114,047.</u>	<u>1,114,047.</u>

ATTACHMENT 7FORM 990PF, PART I - TAXES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
FEDERAL EXCISE TAX	1,600,268.	
FOREIGN TAXES	59,220.	59,220.
PRODUCTION TAXES	886.	886.
TOTALS	<u>1,660,374.</u>	<u>60,106.</u>

ATTACHMENT 8FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	CHARITABLE PURPOSES
STUDENT INTERVIEW EXPENSES	253,240.		253,240.
ORIENTATION EXPENSES	31,512.		31,512.
STUDENT ASSOCIATION EXPENSES	32,000.		32,000.
INSPERITY-PERSONNEL LEASING	2,078,792.		2,078,792.
STUDENT AWARDS/GIFTS	50,865.		50,865.
STUDENT CAMPUS DINNERS/PICNIC	163,511.		163,511.
DUES & SUBSCRIPTIONS	1,500.		1,500.
ANNUAL REPORT EXPENSE	28,673.		28,673.
DIRECTOR/ALUMNI EXPENSES	9,706.		9,706.
INSURANCE EXPENSE	1,318.		1,318.
OFFICE SUPPLIES ETAL	1,713.	428.	1,285.
STUDENT/STAFF-DEV. & MISC.	13,020.		13,020.
TELEPHONE/WEBHOSTING EXPENSES	854.		854.
DEPLETION-ESTATES	165,897.	165,897.	
PROGRAM DEV.-NEW UNIVERSITY	13,726.		13,726.
MINERAL TRANSPORTATION EXPENSE	2,377.	2,377.	
MISCELLANEOUS EXPENSES	20.		20.
DEPLETION-ROYALTIES	9,109.	9,109.	
CONSULTING EXPENSE-WEB SITE	25,600.		25,600.
TOTALS	<u>2,883,433.</u>	<u>177,811.</u>	<u>2,705,622.</u>



ATTACHMENT 9FORM 990PF, PART II - CORPORATE STOCK

<u>DESCRIPTION</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
SEE SCHEDULE ATTACHED	181,807,953.	241,156,272.	251,141,022.
TOTALS	<u>181,807,953.</u>	<u>241,156,272.</u>	<u>251,141,022.</u>

**THE TERRY FOUNDATION**  
**FORM 990 PF, PART II - CORPORATION STOCK**

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
Alphakeys UBS Millennium Fund Offshore Ltd	10,807,000	10,807,000	12,527,472
Capital Product Partners		1,714,561	1,600,000
Capital Royalty Partners II-Parallel Fund "A" GP LP	311,912	559,534	559,534
Double Income Solutions FD/50000		999,926	995,000
Dynagas LNG Partners LP/100000	0	1,873,260	1,635,000
Eaton Vance Tax Managed Diversified Equity Inc Fund/13000		1,364,215	1,452,100
Eaton Vance Risk-Managed Diversified Equity Inc Fund/160000		1,569,245	1,705,600
Eaton Vance Tax Advantages Divid Inc Fund/170000		3,482,937	3,536,000
Enlink Midstream LLC/30000		1,117,830	1,066,800
Gaslog, Ltd/50000		920,864	1,017,500
Hoegh LNG Partners LP/20000		400,000	412,800
John Hancock Tax Advantages Divid Inc Fund/110000		2,274,384	2,449,700
Kinder Morgan Inc/25000		997,487	1,057,750
Knot Offshore Partners LP/125000		3,103,490	2,780,000
Navios Maritime Partners LP/100000		1,381,938	1,017,000
Nordic Amen Offshore, Ltd/60000		1,031,705	736,800
Oneok Inc/30000		1,646,160	1,493,700
Plains GP Holdings LP/10000	220,000	0	0
Palantir Technologies Inc/1052631		5,421,050	5,421,050
Portfolio Advisors Private Equity Fund 2012 Offshore LP	1,994,649	3,064,469	3,452,403
Targa Resource Investments/8000	0	907,751	848,400
Teekay Offshore Partners LP/55000		1,391,021	1,473,450
UBS Operating/Stocks/5078	1,586,300	0	0
UBS Portfolio Management/4273	91,442,185	104,441,006	102,567,366
UBS Portfolio Management/4274	15,843,686	18,290,994	22,064,971
UBS Portfolio Management/4275	48,810,105	55,768,511	59,710,619
UBS Portfolio Management/4331	10,921,929	12,233,334	14,361,408
VTI Energy Partners LP/110000	0	2,540,401	2,726,900
Williams Cos Inc	0	1,853,201	2,471,700
PUT/CALLS/UBS 4330	-129,812	0	0
<b>TOTAL CORPORATE STOCK</b>	<b>181,807,953</b>	<b>241,156,272</b>	<b>251,141,022</b>

ATTACHMENT 10FORM 990PF, PART II - CORPORATE BONDS

<u>DESCRIPTION</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
SEE SCHEDULE ATTACHED	31,875,745.	46,705,402.	52,916,592.
TOTALS	<u>31,875,745.</u>	<u>46,705,402.</u>	<u>52,916,592.</u>

**THE TERRY FOUNDATION**  
**FORM 990 PF, PART II - CORPORATION BONDS**

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
AABST 2005-4 M3/0.6646%/10/25/35	0	357,500	445,367
ABFC 2004-OPT M-2/1.6430%/12/25/33	447,901	289,257	433,921
ABS Corp HEQ 2005-HE4/NC CL M7/1.4302%/5/25/35	508,736	508,736	653,681
ABS Corp Hm Eq Ln TR 2004-HE3/1.7702%/6/25/34	467,163	467,163	726,004
ABS Corp HEQ 2004-HE9/1 3702%/12/25/34	450,970	433,874	547,138
ACE SECS Corp Home Loan Equity 2004-FM2/6/25/34/2.035%	427,910	163,369	539,243
AEGIS Asset Backed Sec/2005-3/0.682%/8/25/35	452,811	330,004	369,641
Ameritrust Mortgage Sec 2004-R7/1.5542%/8/25/34	499,595	499,595	758,887
Ameritrust Mortgage Sec 2004-R3 CL M-3/1.593%/05/25/34	431,198	431,198	459,024
Ameritrust Mortgage Sec 2005-R3 CL M-6/1.866%/5/25/35	581,250	581,250	748,284
Bear Stearns Asset Bckd Secs TR 2005-4/071%/1/25/36	209,033	105,257	125,160
Bear Stearns Asset Bckd Secs TR 2004-AC6 CI M-2/2/11/35/1 446%	162,020	90,585	221,425
Black Diamond CLO 2006-1	0	636,583	438,490
Black Diamond 2014-1	0	940,000	940,000
BSABS 2005-CLIM-1/9/25/34	0	998,750	1,074,791
BSARM 2004-12 CL M-1/2.8321%/02/25/35	0	346,831	380,351
Carrington Mtg Ln TR Ser 2007-HE1/0.301%/02/25/32	238,764	83,883	94,374
Centex HEQ Ln TR 2005-B/ CL M-4/0.830%/3/25/35	560,795	560,795	612,811
Citigroup Mortgage Ln TR/Ser 2005-OPT3/CL M-5/0 84%/05/25/35	305,604	305,604	449,063
Citigroup Mortgage Ln TR/2005-HE4/ CL M-3/0 644%/10/25/35	449,400	449,400	515,390
CWABS Asset Bckd Cer Tst/Ser 2006-24/0 41%/4/25/34	608,749	0	0
FINA 2004-3 M-3/1.1846%/11/25/34	395,871	383,038	474,256
Finance America Mortgage Loan/2004-3 CL M-4/1.5842%/11/25/34	370,440	370,440	423,460
First Franklin (ML) Ser 2007-2/0.43%/5/25/37	165,661	0	0
First Franklin Ser 2005-FF7/0 745%/7/25/35	364,001	0	0
First Horizon Alternv Mtg Sec/2004-AA6/ CI A-2/2 3154%/1/25/35	452,299	379,670	427,260
Fremont Home Loan Tst/Ser 2004-B CL M-4/1.354%/5/25/34	677,997	409,478	637,394
Fremont Home Loan Tst/Ser 2004-C CL M-3/1.3146%/8/25/34	500,358	425,741	494,387
Fremont Home Loan Tst/Ser 2005-E M1/1/25/36/0.06570%	236,027	236,027	1,087,300
Fremont Home Loan Tst/Ser 2006-3/2.25/37/0.380%	33,903	0	0
Fremont Home Loan Tst/Ser 2005-C/CL M-4/0.81%/7/25/35	425,320	425,320	590,372
Greenpoint Mtg Fdg TR 2005-HE1/0610%/9/25/34	-5,960	0	0
GSAMP Trust/Ser 2006-HE5/Ci A-2C/0.391%/8/25/36	236,096	183,078	373,611
GSAMP Trust/Ser 2006-HE6/8/25/36/0.41%	369,867	295,485	590,188
GSAMP Asset Bckd Cer/Ser 2007-H1/0 449%/1/25/47	492,716	425,175	482,648
GSAMP Trust/Ser 2007-NC1/A-2B/0.36%/12/25/46	317,353	261,808	502,326
GSAMP 2004 OPT CL M-3/1.8773%/11/25/34	0	251,919	294,551
Harborview Mtg Loan/Ser 2005-2/5/19/35/3.10%	381,311	381,311	291,425
INABS 2005-A n-7/1 458%/3/25/35	0	273,688	300,191
Lehman Bros Hldgs Med Term/11/1/14/7%v (ESCROW)	867,504	757,186	143,750
Lehman Bros Hldgs Med Term 02/09/17/8% (ESCROW)	397,248	342,181	71,875
Morgan Stanley ABS CAP1/Ser 2007-HE6/5/25/37/0.334%	385,547	326,443	674,395
Morgan Stanley ABS CAP1/Ser 2006-HE7/9/25/36/0 432%	367,767	344,001	587,477
Morgan Stanley ABS CAP1/Ser 2005-NC1/1/25/35/0.965%	149,609	0	0
Naovastar Home Equity loan 2006-6 CL A-2B/0 349%/1/25/37	311,290	283,099	248,741
NHEL 1 2005-HE1/1.886%/9/25/35	203,359	203,359	190,846
Novastar Home Equity Loan 2006-4/0.399%/9/25/36	372,177	300,919	523,772
Park Place Securities/Ser 2004-MHQ1/1.44175%/11/25/34	212,867	212,867	785,424
Popular ABS Mortgage Pass-Thru 2004-5 CL M-2/0%/12/25/34	850,385	850,385	890,020
Popular ABS Mortgage Pass-Thru 2005-3 CL M-2/0%/7/25/35	547,428	547,428	616,241
P/P Mutual Life Insurance/11.25%/8/15/24	743,138	0	0
PPSI 2005-WCH M-6/1.1446%/1/25/35	0	280,147	306,456
PPSI 2005-WHQ M-5/1.8423%/5/25/35	0	243,750	355,155
RAMP 2005-EFC1/038623/5/25/35	0	468,000	508,880
Renaissance Home Equity TR/2002-4 CLB/7.572%/3/25/33	67,057	32,678	69,570
Renaissance Home Equity TR/2004-2 CL M-3/6.11%/7/25/34	476,390	476,390	499,059
SAST 2004-2/MF-4/6%/8/25/35	0	546,893	576,008
Structured Asset 2005-HE1.0.6542%/7/25/35	0	169,303	181,979
Structured Asset Sec/Ser 2005-WF1/Var Rate	582,287	80,778	735,431
Structured Asset Mtg Invs II Ser 2006-AR5/ CL 4-A-1/5/25/46	348,196	290,149	490,832
UBS Structured Products/Bonds-Notes/4020	12,544,663	26,510,000	26,794,223
Wells Fargo Mtg Bckd Secs 2005-AR14 CL A/5 337%/8/25/35	233,673	157,635	164,043
<b>TOTAL CORPORATION BONDS</b>	<b>31,875,745</b>	<b>46,705,402</b>	<b>52,916,592</b>

ATTACHMENT 11FORM 990PF, PART II - OTHER INVESTMENTS

<u>DESCRIPTION</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
PARTNERSHIPS/PFIC ENTITIES	47,486,105.	55,487,884.	57,660,133.
TOTALS	<u>47,486,105.</u>	<u>55,487,884.</u>	<u>57,660,133.</u>

**THE TERRY FOUNDATION**  
**FORM 990 PF, PART II - PARTNERSHIPS AND PFICS**

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
AG Member Senior Housing I, LLC/Class A	4,014,109	2,581,201	2,581,201
AMCI Poseidon Fund LP	3,937,602	4,573,297	4,573,297
BDCM Partners I, LP	1,048,043	1,226,328	1,243,004
Black Diamond CLO 2006-1	636,583	0	0
CC Student Housing LP	0	56,756	56,756
Credit Suisse Securities Products fund, Ltd	0	2,083,618	2,000,000
CSAM Funding III/144A Pfd	47,331	34,219	34,219
Galaxy CLO	308,677	305,858	302,845
Garrison Point Opportunities I, LP	4,004,673	5,164,181	5,164,181
GP Mortgage Opportunity Fund I, LP	1,002,832	995,827	995,827
Kayne Anderson Credit Opportunites Fund (QP), LP	591,103	2,295,979	2,295,979
Kayne Anderson Real Estate	2,962,278	2,695,409	2,695,409
Kayne Anderson Real Estate Partners III, LP	1,236,131	6,023,519	6,023,519
Kayne Partners Fund III (QP), LP	0	269,893	269,893
Kayne Anderson Senior Credit II Offshore Fund, LP	0	876,861	876,861
Oaktree Mezzanine Fund III/Class A	737,105	597,903	597,903
Oaktree Mezzanine Fund III/Class B	2,140,950	2,525,377	2,525,377
Oaktree Real Estate Opportunity Fund V, LP	4,414,864	2,908,990	2,950,964
Oaktree Real Estate Opportunity Fund VI, LP	940,000	1,808,829	1,660,000
Oaktree Real Estate Debt Fund (Caymen), LP	360,231	120,561	120,561
Parallel Investment Opportunities Partners II, LP	152,235	199,564	199,564
Stanfield Modena CLO, Ltd./Pfd/1700	704,070	690,650	690,650
Stanfield Vantage CLO, Ltd./500,000 Pfd	-23	0	0
TCW Securitized Opportunities, LP	1,114,818	1,116,364	1,116,364
Z Capital Special Situation Fund II-A, LP	2,767,287	2,966,174	3,088,410
Z Capital Special Situation Fund, LP	14,365,208	13,370,528	15,597,350
<b>TOTAL PARTNERSHIPS AND PFIC</b>	<b>47,486,105</b>	<b>55,487,884</b>	<b>57,660,133</b>

ATTACHMENT 12FORM 990PF, PART II - OTHER ASSETS

<u>DESCRIPTION</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
ROYALTY INTERESTS (NET)	68,319.	59,210.	59,210.
N/R-OTHER	27,391.	27,391.	27,391.
TOTALS	<u>95,710.</u>	<u>86,601.</u>	<u>86,601.</u>

ATTACHMENT 13FORM 990PF, PART II - OTHER LIABILITIES

<u>DESCRIPTION</u>	<u>BEGINNING BOOK VALUE</u>	<u>ENDING BOOK VALUE</u>
UBS-CALL/PUT OPTIONS		261,685.
TOTALS		<u>261,685.</u>



FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEESATTACHMENT 14

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION</u>	<u>COMPENSATION</u>
RHETT CAMPBELL 333 CLAY, SUITE 3300 HOUSTON, TX 77002	CEO/CHAIRMAN 30.00	220,718.
CARTER OVERTON 4265 SAN FELIPE, SUITE 1040 HOUSTON, TX 77027	DIRECTOR	
JOHN W. STORMS 1202A DAIRY ASHFORD HOUSTON, TX 77079	TREASURER/DIRECTOR	
EDWARD T. COTHAM 3104 EDLOE, SUITE 205 HOUSTON, TX 77027	PRESIDENT/DIRECTOR 20.00	142,718.
JAMES DAVIS 10000 N. CENTRAL EXPRESSWAY SUITE 1500 DALLAS, TX 75231	DIRECTOR	
YVONNE R. MOODY 526 MAGNA VISTA CT. SAN ANTONIO, TX 78258	V.P./EXEC. DIRECTOR/DIRECTOR 40.00	187,372.

THE TERRY FOUNDATION

31-1551093

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

ATTACHMENT 14 (CONT'D)

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION
JEFF STICHLER 223 TUPELO CONROE, TX 77304	DIRECTOR	
GAYLE STINSON 6 SHORE HAVEN HICKORY CREEK, TX 75065	DIRECTOR	
BRIAN YARBROUGH 3201 HIGHLAND TERRACE WEST AUSTIN, TX 78731	DIRECTOR	
DR. ELIZABETH R. KEELER 3925 SOUTHWESTERN STREET HOUSTON, TX 77005	DIRECTOR	
ROBERT L. PARKER 3104 EDLOE, SUITE 205 HOUSTON, TX 77027	V.P. ADMINISTRATION 40.00	235,294.
GRAND TOTALS		786,102.

FORM 990PF, PART XV - INFORMATION REGARDING FOUNDATION MANAGERS

HOWARD L. & NANCY M. TERRY  
3104 EDLOE, SUITE 300  
HOUSTON, TEXAS 77027  
HOWARD L. TERRY ESTATE  
NANCY M. TERRY ESTATE  
3104 EDLOE, SUITE 300  
HOUSTON, TEXAS 77027

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 16

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT		PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
THE UNIVERSITY OF TEXAS AUSTIN, TEXAS AUSTIN, TX	NONE PC		ACADEMIC SCHOLARSHIPS	4,603,300.
TEXAS A&M UNIVERSITY COLLEGE STATION, TEXAS COLLEGE STATION, TX	NONE PC		ACADEMIC SCHOLARSHIPS	3,960,077.
THE UNIVERSITY OF HOUSTON HOUSTON, TEXAS HOUSTON, TX	NONE PC		ACADEMIC SCHOLARSHIPS	1,610,650.
TEXAS STATE UNIVERSITY SAN MARCOS, TEXAS SAN MARCOS, TX	NONE PC		ACADEMIC SCHOLARSHIPS	1,647,750.
UNIVERSITY OF TEXAS-DALLAS DALLAS, TEXAS DALLAS, TX	NONE PC		ACADEMIC SCHOLARSHIPS	1,931,625.
UNIVERSITY OF TEXAS-SAN ANTONIO SAN ANTONIO, TEXAS SAN ANTONIO, TX	NONE PC		ACADEMIC SCHOLARSHIPS	1,627,800.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 16 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND		PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
	FOUNDATION STATUS OF RECIPIENT			
UNIVERSITY OF NORTH TEXAS DENTON, TEXAS DENTON, TX	NONE PC		ACADEMIC SCHOLARSHIPS	1,820,600.
UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER SAN ANTONIO, TEXAS SAN ANTONIO, TX	NONE PC		ACADEMIC SCHOLARSHIPS	86,750.
TEXAS TECH UNIVERSITY LUBBOCK, TEXAS LUBBOCK, TX	NONE PC		ACADEMIC SCHOLARSHIPS	2,121,550.
TEXAS A&M UNIVERSITY-GALVESTON GALVESTON, TEXAS GALVESTON, TX	NONE PC		ACADEMIC SCHOLARSHIPS	307,970.
TEXAS WOMAN'S UNIVERSITY DENTON, TEXAS DENTON, TX	NONE PC		ACADEMIC SCHOLARSHIPS	629,250.
SAM HOUSTON STATE UNIVERSITY HUNTSVILLE, TEXAS HUNTSVILLE, TX	NONE PC		ACADEMIC SCHOLARSHIPS	258,050.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 16 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT		PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
UNIVERSITY OF TEXAS MEDICAL BRANCH-GALVESTON GALVESTON, TEXAS GALVESTON, TX	NONE PC		ACADEMIC SCHOLARSHIPS	8,950.
TOTAL CONTRIBUTIONS PAID				<u>20,614,322.</u>