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

2014

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

For calendar year 2014 or tax year beginning , 2014, and ending , 20

Name of foundation The B. Gill Clements Foundation		A Employer identification number 73-1645566
Number and street (or P O box number if mail is not delivered to street address) 1901 N. Akard St.	Room/suite	B Telephone number (see instructions) 214 549 3175
City or town, state or province, country, and ZIP or foreign postal code Dallas, TX 75201-2305		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) ▶ \$ 13,900,126.03	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
(Part I, column (d) must be on cash basis)		

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	8,621.22	8,621.22		
	4 Dividends and interest from securities <small>ANB \$32,228.40; Morgan Stanley \$676,656.87</small>	708,885.27	708,885.27		
	5a Gross rents	457.60	457.60		
	b Net rental income or (loss) \$343.33				
	6a Net gain or (loss) from sale of assets not on line 10	22,072.43			
	b Gross sales price for all assets on line 6a \$229,127.18				
	7 Capital gain net income (from Part IV, line 2)				
	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) <small>Royalties \$99,317.69; Partnership Distributions \$117,602.55</small>	216,920.24	216,920.24			
12 Total. Add lines 1 through 11	956,956.76	928,425.76	0.00		
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) <small>Admin Asst \$8,487.12</small>	8,487.12	8,487.12		8,487.12
	c Other professional fees (attach schedule) <small>Morgan Stanley Management Fees</small>	58,925.72	58,925.72		
	17 Interest				
	18 Taxes (attach schedule) (see instructions) <small>Property Tax \$4,085.08; Foreign Tax \$149.15</small>	7,328.47	7,328.47		
	19 Depreciation (attach schedule) and depletion	14,897.65	14,897.65		
	20 Occupancy <small>Rent \$12,844.37; Telephone \$4,950.01</small>	17,794.38	17,794.38		4,448.71
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) <small>Bank Fees \$83.78; Devon expenses \$15,707.56</small>	15,791.34	15,791.34		
	24 Total operating and administrative expenses. Add lines 13 through 23	123,224.68	123,224.68	0.00	12,935.83
	25 Contributions, gifts, grants paid	672,000.00			672,000.00
26 Total expenses and disbursements. Add lines 24 and 25	795,224.68	123,224.68	0.00	684,935.83	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	161,732.08				
b Net investment income (if negative, enter -0-)		803,201.08			
c Adjusted net income (if negative, enter -0-)			0.00		

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing	37,199.89	203,982.66	203,982.66
	2	Savings and temporary cash investments	804,045.29	159,463.26	159,463.26
	3	Accounts receivable ▶ <u>Jim Melson Check Paid 12/12/14</u>			
		Less: allowance for doubtful accounts ▶ <u>(0 -)</u>		6,008.75	6,008.75
	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)	10,323,669.86	10,875,629.97	12,027,227.01
	c	Investments—corporate bonds (attach schedule)			
	11	Investments—land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶				
12	Investments—mortgage loans				
13	Investments—other (attach schedule) <u>Denton Royalty</u>	0.00	0.00	350,323.85	
14	Land, buildings, and equipment basis ▶ <u>138,460.00</u>				
	Less: accumulated depreciation (attach schedule) ▶ <u>70,319.50</u>	83,038.15	68,140.50	68,140.50	
15	Other assets (describe ▶ <u>1,284 shs ANB Corporation</u>)	18,701.00	18,701.00	1,084,980.00	
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	11,266,654.19	11,331,926.14	13,900,126.03	
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)	0.00	0.00	
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 type="checkbox"/> and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds	11,266,654.18	11,331,926.14	
	28	Paid-in or capital surplus, or land, bldg, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
30	Total net assets or fund balances (see instructions)	11,266,654.18	11,331,926.14		
31	Total liabilities and net assets/fund balances (see instructions)	11,266,654.18	11,331,926.14		

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	11,266,654.18
2	Enter amount from Part I, line 27a	2	161,732.08
3	Other increases not included in line 2 (itemize) ▶ <u>Misc. Adjustments</u>	3	9,900.12
4	Add lines 1, 2, and 3	4	11,438,286.38
5	Decreases not included in line 2 (itemize) ▶ <u>Adjustment to Bases of ETF's and LP's</u>	5	106,360.24
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	11,331,926.14

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	2500 ISHARES IBOXX \$ H/Y COR BD ETF	P	10/6/11	11/21/14
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	229,127.18		207,054.75	22,072.43
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				
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 }		22,072.43
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			

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	665,799.02	14,251,506.19	0.0467
2012	112,950.00	13,311,809.74	0.0085
2011	426,146.00	11,843,505.05	0.0360
2010	58,250.00	1,744,459.55	0.0334
2009	41,059.34	765,964.57	0.0536
2	Total of line 1, column (d)		0.1782
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		.03564
4	Enter the net value of noncharitable-use assets for 2014 from Part X, line 5		15,466,669.72
5	Multiply line 4 by line 3		551,232.11
6	Enter 1% of net investment income (1% of Part I, line 27b)		8,032.01
7	Add lines 5 and 6		559,264.12
8	Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.		684,935.83

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 checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	8,032.01
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	8,032.01
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	8,032.01
6	Credits/Payments:		
a	2014 estimated tax payments and 2013 overpayment credited to 2014	6a	18,857.16
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	18,857.16
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	0.00
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	10,825.15
11	Enter the amount of line 10 to be Credited to 2015 estimated tax 10,825.15 Refunded	11	0.00

Part VII-A Statements Regarding Activities

	Yes	No
1a		x
1b		x
1c		x
2		x
3		
4a		x
4b		
5		x
6	x	
7	x	
8a		
8b	x	
9		x
10		x

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 ▶	13	x	
14	The books are in care of ▶ <u>PATRICIA L. CLEMENTS</u> Telephone no ▶ <u>214 549 3175</u> Located at ▶ <u>1901 N. AKARD ST., DALLAS, TX</u> ZIP+4 ▶ <u>75201-2305</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the year ▶ <u>15</u>			<input type="checkbox"/>
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 ▶	16	Yes	No x

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
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? If "Yes," list the years ▶ 20____, 20____, 20____, 20____ <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions)	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20____, 20____, 20____, 20____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <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	x
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

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
David Jennings, Sr. Vice Pres. Wealth Management Morgan Stanley 8383 Preston Ctr. Dallas, TX 75225	Portfolio Management Consulting Fees	58,925.72
.....		
.....		
.....		
.....		
.....		
Total number of others receiving over \$50,000 for professional services		NONE

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	- 0 -
2	- 0 -
3	- 0 -
4	- 0 -

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	- 0 -
2	- 0 -
All other program-related investments See instructions	
3	- 0 -
Total. Add lines 1 through 3	0.00

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	13,396,217.00
b	Average of monthly cash balances	1b	802,541.41
c	Fair market value of all other assets (see instructions)	1c	1,503,444.35
d	Total (add lines 1a, b, and c)	1d	15,702,202.76
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	15,702,202.76
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	235,533.04
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	15,466,669.72
6	Minimum investment return. Enter 5% of line 5	6	773,333.49

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	773,333.49
2a	Tax on investment income for 2014 from Part VI, line 5	2a	8,032.01
b	Income tax for 2014 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	8,032.01
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	765,301.48
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	765,301.48
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	765,301.48

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	684,935.83
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	684,935.83
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	8,032.01
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	676,903.82

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				765,301.48
2 Undistributed income, if any, as of the end of 2014.				
a Enter amount for 2013 only			683,539.06	
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2014				
a From 2009				
b From 2010				
c From 2011				
d From 2012				
e From 2013				
f Total of lines 3a through e	0.00			
4 Qualifying distributions for 2014 from Part XII, line 4: \$ 684,935.83				
a Applied to 2013, but not more than line 2a			683,539.06	
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				1,396.77
e Remaining amount distributed out of corpus				
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	0.00			
b Prior years' undistributed income Subtract line 4b from line 2b		0.00		
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		0.00		
e Undistributed income for 2013. Subtract line 4a from line 2a. Taxable amount—see instructions			0.00	
f Undistributed income for 2014. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2015				763,904.71
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)				
9 Excess distributions carryover to 2015. Subtract lines 7 and 8 from line 6a	0.00			
10 Analysis of line 9				
a Excess from 2010				
b Excess from 2011				
c Excess from 2012				
d Excess from 2013				
e Excess from 2014				

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 2014, enter the date of the ruling ▶ **NOT APPLICABLE**
- b** Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year				(e) Total
	(a) 2014	(b) 2013	Prior 3 years		
			(c) 2012	(d) 2011	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					0.00
b 85% of line 2a	0.00	0.00	0.00	0.00	0.00
c Qualifying distributions from Part XII, line 4 for each year listed					0.00
d Amounts included in line 2c not used directly for active conduct of exempt activities					0.00
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c	0.00	0.00	0.00	0.00	0.00
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter					
(1) Value of all assets					0.00
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					0.00
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					0.00
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)					0.00
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					0.00
(3) Largest amount of support from an exempt organization					0.00
(4) Gross investment income					0.00

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))
-
- 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.
-
- 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	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
AMERICAN QUARTER HORSE ASSOCIATION P O BOX 32111	Not Applicable	Public	General Operating	5,000.00
AMARILLO, TX 79120 CAMP SUMMIT 17210 CAMPBELL ROAD, SUITE 180-W	Not Applicable	Public	General Operating	100,000.00
DALLAS, TX 75252 CAMP SWEENEY P. O. BOX 918	Not Applicable	Public	General Operating	30,000.00
GAINESVILLE, TX 76241 CARE 5817 HILLCREST	Not Applicable	Public	General Operating	5,000.00
DALLAS, TX 75205 CROOKED TREE ARTS 461 E. MITCHELL	Not Applicable	Public	General Operating	10,000.00
PETOSKEY, MI 49770 DALLAS 24 HOUR CLUB, INC. 4636 ROSS AVE.	Not Applicable	Public	General Operating	3,500.00
DALLAS, TX 75204 DALLAS ARBORETUM AND BOTANICAL GARDEN 8525 GARLAND RD.	Not Applicable	Public	General Operating	60,000.00
DALLAS, TX 75218 ELF LOUISE CHRISTMAS PROJECT P O BOX 39295	Not Applicable	Public	General Operating	500.00
SAN ANTONIO, TX 78218 SPRINGFIELD SCHOOL VOLUNTEERS 1550 Main Street	Not Applicable	Public	General Operating	7,500.00
Springfield, MA 01103	Not Applicable	Public	General Operating	450,500.00
Total FROM SUPPLEMENTAL PAGES				3a 672,000.00
b Approved for future payment				
Total				3b 0.00

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
Elias Brookings Elementary School 415 Walnut Street Springfield, MA 01105	Not Applicable	Public	General Operating	7,500.00
Friends of the Katy Trail 3523 McKinney Avenue Dallas, TX 75204	Not Applicable	Public	General Operating	5,000.00
Green Chimneys 400 Doansburg Road Brewster, NY 10509	Not Applicable	Public	General Operating	15,000.00
Happy Bottoms 14820 W. 107th Street Lenexa, KS 66215	Not Applicable	Public	General Operating	9,000.00
Highland Park ISD Education Foundation 3316 Grassmere Dallas, TX 75205	Not Applicable	Public	General Operating	20,000.00
Kids in Crisis One Salem Street Cos Cob, CT 06807	Not Applicable	Public	General Operating	10,000.00
Leukemia & Lymphoma P. O. Box 4072 Pittsfield, MA 01202	Not Applicable	Public	General Operating	5,000.00
Little Traverse Conservancy 3264 Powell Road Harbor Springs, MI 49740-9469	Not Applicable	Public	General Operating	1,500.00
McLaren Northern Michigan 360 Connable Ave Petoskey, MI 49770	Not Applicable	Public	General Operating	175,000.00
Total				3a 248,000.00
b Approved for future payment				
Total				3b

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
National Snaffle Bit Association 1391 St. Paul Gurnee, IL 60031	Not Applicable	Public	General Operating	10,000.00
Perot Museum 2201 N. Field St. Dallas, TX 75202	Not Applicable	Public	General Operating	35,000.00
Ruffed Grouse Society P. O. Box 43 Traverse City, MI 49685	Not Applicable	Public	General Operating	25,000.00
Scott & Kim Verplank Foundation 2401 Tee Circle Norman, OK 73069	Not Applicable	Public	General Operating	20,000.00
Scott & White Healthcare Foundation 2401 South 31st St. Temple, TX 76508	Not Applicable	Public	General Operating	15,000.00
The Catherine H. Tuck Foundation 1507 7th Street Sannta Monica CA 90401	Not Applicable	Public	General Operating	2,000.00
Stewpot Alliance 1835 Young Street Dallas, TX 75201	Not Applicable	Public	General Operating	9,000.00
American Diabetes Association 12850 Spurling Rd #100 Dallas, TX	Not Applicable	Public	General Operating	500.00
Dallas Police Mounted Unit Equipment 334 South Hall Street Dallas, TX	Not Applicable	Public	General Operating	1,000.00
Total			3a	117,500.00
b Approved for future payment				
Total			3b	

Part XV Supplementary Information (continued)

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<p>a <i>Paid during the year</i></p> <p>CONSERVATION RESOURCE ALLIANCE 10850 TRAVERSE HIGHWAY, SUITE 1111 TRAVERSE CITY, MI 49684</p>	<p>Not Applicable</p>	<p>Public</p>	<p>General Operating</p>	<p>85,000.00</p>
<p>Total</p>			<p style="text-align: right;">▶</p>	<p>3a 85,000.00</p>
<p>b <i>Approved for future payment</i></p>				
<p>Total</p>			<p style="text-align: right;">▶</p>	<p>3b</p>



Morgan Stanley

CLIENT STATEMENT | For the Period December 1-31, 2014

Consulting Group Advisor Basic Securities Account
435-108498-566
PAT & GILL CLEMENTS FOUNDATION
ATTN PAT CLEMENTS

Account Detail

STOCKS

COMMON STOCKS

Morgan Stanley & Co. LLC (Morgan Stanley) and Standard & Poor's equity research ratings are shown for certain securities. These ratings represent the opinions of the research provider and are not representations or guarantees of performance. The applicable research report contains more information regarding the analyst's opinions, analysis, and rating, and you should read the entire research report and not infer its contents. For ease of comparison, Morgan Stanley and Standard & Poor's equity research ratings have been normalized to a 1 (Buy), 2 (Hold), and 3 (Sell). Refer to your June or December statement for a summary guide describing the ratings. We do not take responsibility for, nor guarantee the accuracy, completeness, or timeliness of research prepared for Standard & Poor's.

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
ALTRIA GROUP INC (MO)	10/6/11	19,400,000	\$26.760	\$519,144.00	\$955,838.00	\$436,694.00 LT	\$40,352.00	4.22
Share Price: \$49.270; Rating: Morgan Stanley: 2, S&P: 2; Next Dividend Payable 01/09/15								
AT&T INC (T)	10/6/11	18,300,000	28.239	516,773.70	614,697.00	97,923.30 LT	34,404.00	5.59
Share Price: \$33.590; Rating: Morgan Stanley: 2, S&P: 1; Next Dividend Payable 02/20/15								
CONCHO RES INC (CXO)	10/6/11	6,000,000	76.347	458,082.60	598,500.00	140,417.40 LT	—	—
Share Price: \$99.750; Rating: Morgan Stanley: 2								
CROSS TIMBERS ROY TR UNIT (CRT)	2/6/06	1,500,000	47.140	70,710.00	25,980.00	(44,730.00) LT	3,987.00	15.34
Share Price: \$17.320; Next Dividend Payable 01/15/15								
ENERPLUS CORP COM (ERF)	1/13/06	1,014,000	47.951	48,638.82	9,734.40	(38,904.42) LT	—	—
	3/21/13	6,000	14.740	88.44	57.60	(30.84) LT	—	—
Total		1,020,000		48,727.26	9,792.00	(38,935.26) LT	946.00	9.66
Share Price: \$9.600; Next Dividend Payable 01/15/15								
GRAY TELEVISION CL B COM (GTN)	6/20/14	15,000,000	11.315	169,720.50	168,000.00	(1,720.50) ST	—	—
	9/25/14	10,000,000	8.383	83,833.00	112,000.00	28,167.00 ST	—	—
Total		25,000,000		253,553.50	280,000.00	26,446.50 ST	—	—
Share Price: \$11.200								
HALCON RESOURCES CORP (HK)	1/18/12	3,333,500	11.847	39,491.00	5,933.63	(33,557.37) LT	—	—
	1/24/12	3,333,500	10.499	35,000.00	5,933.63	(29,066.37) LT	—	—
	2/14/12	13,333,000	12.263	163,505.25	23,732.74	(139,772.51) LT	—	—
	3/5/12	10,000,000	10.660	106,598.00	17,800.00	(88,798.00) LT	—	—
	3/7/12	15,000,000	10.000	149,998.50	26,700.00	(123,298.50) LT	—	—
	4/19/12	25,000,000	9.197	229,930.00	44,500.00	(185,430.00) LT	—	—
	5/13/13	40,000,000	6.169	246,760.00	71,200.00	(175,560.00) LT	—	—
	9/25/14	20,000,000	4.140	82,800.00	35,600.00	(47,200.00) ST	—	—
Total		130,000,000		1,054,082.75	231,400.00	(775,482.75) LT	—	—
Share Price: \$1.780; Rating: Morgan Stanley: 3								
KAYNE ANDERSON ENERGY DEV CO (KED)	10/6/11	25,700,000	20.242	520,214.26	918,517.99	398,303.73 LT	—	—
Purchases								
		25,700,000		520,214.26	918,517.99	398,303.73 LT	—	—
		493,482		9,766.00	17,637.04	7,871.04 LT	—	—
Total		26,193,482		529,980.26	936,155.04	406,174.77 LT	54,482.00	5.81
Share Price: \$35.740; Next Dividend Payable 01/20/15								

Morgan Stanley

CLIENT STATEMENT | For the Period December 1-31, 2014

Consulting Group Advisor Basic Securities Account
435-108498-566

PAT & GILL CLEMENTS FOUNDATION
ATTN PAT CLEMENTS

Account Detail

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
KKR & CO LP (KKR)	10/6/11	30,000.000	9.519	285,577.50	696,300.00	410,722.50 LT C	60,900.00	8.74
<i>Share Price: \$23.210; Rating: Morgan Stanley: 1, S&P: 1; Next Dividend Payable 02/2015</i>								
LINN ENERGY LLC UTS REP LTD LI (LINE)	8/7/13	30,000.000	27.380	821,400.00	303,900.00	(517,500.00) LT	86,970.00	28.61
<i>Share Price: \$10.130; Next Dividend Payable 01/2015</i>								
OASIS PETROLEUM INC (OAS)	10/6/11	23,000.000	22.726	522,688.80	380,420.00	(142,268.80) LT	—	—
<i>Share Price: \$16.540; Rating: Morgan Stanley: 2</i>								
WISDOMTREE INVSTS INC (WETF)	6/20/14	13,000.000	12.066	156,860.60	203,775.00	46,914.40 ST	4,160.00	2.04
<i>Share Price: \$15.675; Rating: Morgan Stanley: 1; Next Dividend Payable 02/2015</i>								
				Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Yield %
				\$5,237,580.97	\$5,236,757.04	\$26,984.84) LT	\$286,201.00	5.46%
						\$26,160.90 ST	\$0.00	

STOCKS

EXCHANGE-TRADED & CLOSED-END FUNDS

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
BLACKROCK ENERGY AND RESOURCES (BGR)	10/6/11	22,600.000	\$22.858	\$516,584.18	\$450,869.99	\$(65,714.19) LT R	—	—
<i>Share Price: \$19.950; Next Dividend Payable 01/2015</i>								
CLEARBRIDGE ENERGY MLP FD INC (CEM)	10/6/11	26,300.000	18.406	484,085.69	725,880.00	241,794.31 LT R	—	—
<i>Share Price: \$27.600; Next Dividend Payable 02/2015</i>								
CLEARBRIDGE ENERGY MLP OPP FD (EMO)	10/6/11	31,200.000	15.081	470,516.79	736,631.99	266,115.20 LT R	—	—
<i>Share Price: \$23.610; Next Dividend Payable 02/2015</i>								
CUSHING MLP TOTAL RETURN FUND (SRV)	10/6/11	55,000.000	8.286	455,710.75	324,499.99	(131,210.76) LT R	—	—
<i>Share Price: \$23.610; Next Dividend Payable 02/2015</i>								
				Total	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
				22,600.000	450,869.99	(65,714.19) LT	37,406.00	8.12
				489.827	9,772.04	(2,628.58) LT R	—	—
				23,089.827	460,642.04	(68,342.77) LT	—	—
				516,584.18	450,869.99	(65,714.19) LT	—	—
				12,400.62	9,772.04	(2,628.58) LT R	—	—
				528,984.80	460,642.04	(68,342.77) LT	—	—
				484,085.69	725,880.00	241,794.31 LT R	—	—
				484,085.69	725,880.00	241,794.31 LT	—	—
				9,084.81	12,855.61	3,770.80 LT R	—	—
				493,170.50	738,735.61	245,565.11 LT	43,896.00	5.94
				470,516.79	736,631.99	266,115.20 LT R	—	—
				470,516.79	736,631.99	266,115.20 LT	—	—
				9,412.22	13,131.90	3,719.68 LT R	—	—
				479,929.01	749,763.90	269,834.88 LT	45,094.00	6.01
				455,710.75	324,499.99	(131,210.76) LT R	—	—
				455,710.75	324,499.99	(131,210.76) LT	—	—



Consulting Group Advisor Basic Securities Account PAT & GILL CLEMENTS FOUNDATION
435-108498-566 ATTN PAT CLEMENTS

Account Detail

EXCHANGE-TRADED & CLOSED-END FUNDS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
Long Term Reinvestments		1,480.264		11,425.76	8,733.55	(2,692.21) LT R		
Total		56,480.264		467,136.51	333,233.55	(133,902.97) LT	50,832.00	15.25
<i>Share Price: \$5.900; Next Dividend Payable 03/2015</i>								
FIRST TRUST ENERGY INFRASTRU (FIF)	10/6/11	26,000.000	19.972	519,278.24	618,279.99	99,001.75 LT R		
Purchases		26,000.000		519,278.24	618,279.99	99,001.75 LT		
Long Term Reinvestments		140.690		2,813.64	3,345.60	531.96 LT R		
Total		26,140.690		522,091.88	621,625.60	99,533.71 LT	34,506.00	5.55
<i>Share Price: \$23.780; Next Dividend Payable 01/2015</i>								
GOLDMAN SACHS MLP INC OPPTY FD (GMZ)	6/20/14	8,000.000	20.480	163,840.00	139,520.00	(24,320.00) ST		
10/22/14		10,000.000	20.832	208,321.00	174,400.00	(33,921.00) ST		
Total		18,000.000		372,161.00	313,920.00	(58,241.00) ST	23,760.00	7.56
<i>Share Price: \$17.440; Next Dividend Payable 02/2015</i>								
ISHARES IBOX \$ HY COR BD ETF (HYG)	10/6/11	7,500.000	82.822	621,164.25	672,000.00	50,835.75 LT		4.91
<i>Share Price: \$89.600; Next Dividend Payable 01/2015</i>								
KAYNE ANDERSON MLP INVT CO (KYN)	10/6/11	19,400.000	25.863	501,740.10	740,692.00	238,951.90 LT R		6.80
<i>Share Price: \$38.180; Next Dividend Payable 01/2015</i>								
NUVEEN MLP ENERGY FUND (JMF)	10/6/11	21,950.000	14.208	311,856.30	446,023.99	134,167.69 LT R		
Purchases		21,950.000		311,856.30	446,023.99	134,167.69 LT		
Long Term Reinvestments		411.087		6,497.82	8,353.28	1,855.46 LT R		
Total		22,361.087		318,354.12	454,377.28	136,023.15 LT	29,248.00	6.43
<i>Share Price: \$20.320; Next Dividend Payable 02/2015</i>								
TORTOISE MLP FUND INC (NTG)	10/6/11	22,700.000	19.777	448,939.31	634,011.00	185,071.69 LT R		6.03
<i>Share Price: \$27.930; Next Dividend Payable 02/2015</i>								
TORTOISE PWR & ENERGY INFRASTR (TPZ)	10/6/11	16,400.000	22.190	363,920.13	422,463.99	58,543.86 LT		
Purchases		16,400.000		363,920.13	422,463.99	58,543.86 LT		
Long Term Reinvestments		168.944		4,109.54	4,351.99	242.45 LT		
Total		16,568.944		368,029.67	426,815.99	58,786.31 LT	24,853.00	5.82
<i>Share Price: \$25.760; Next Dividend Payable 01/2015</i>								
VANGUARD EUROPEAN MSCI ETF (VGK)	10/6/11	12,300.000	41.980	516,347.85	644,643.00	128,295.15 LT		4.61
<i>Share Price: \$52.410; Next Dividend Payable 03/2015</i>								

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
Total				\$5,638,049.00	\$6,790,459.97	\$1,210,651.91 LT	\$441,093.00	6.50%
						(58,241.00) ST	\$0.00	
		Percentage of Assets %						
		55.8%						

EXCHANGE-TRADED & CLOSED-END FUNDS

Part x, Line 1
Tax Year 2014**SSB 609-10833-18 460/MORGAN STANLEY 435-108498-566**
AVERAGE FAIR MARKET VALUE OF SECURITIES

	BEGIN	END	AVERAGE
JANUARY	12,922,317	12,492,633	12,707,475
FEBRUARY	12,492,633	12,819,857	12,656,245
MARCH	12,819,857	12,786,894	12,803,376
APRIL	12,786,894	13,445,793	13,116,343
MAY	13,445,793	13,829,495	13,637,644
JUNE	13,829,495	15,062,307	13,942,469
JULY	15,062,307	14,055,443	14,893,894
AUGUST	14,055,443	14,725,480	14,065,440
SEPTEMBER	14,725,480	14,075,437	14,176,827
OCTOBER	14,075,437	13,628,175	13,334,211
NOVEMBER	13,628,175	12,592,984	13,110,579
DECEMBER	12,592,984	12,027,217	12,310,100
			<u>160,754,604</u>
			<u>13,396,217</u>

AVERAGE FAIR MARKET VALUE OF SECURITIES

SSB 609-10833-18 460/MORGAN STANLEY 435-108498-566
AVERAGE FAIR MARKET VALUE OF CASH

	BEGIN	END	AVERAGE
JANUARY	804,045	841,484	822,765
FEBRUARY	841,484	905,577	873,530
MARCH	905,577	970,035	937,806
APRIL	970,035	1,007,728	988,881
MAY	1,007,728	1,084,292	1,046,010
JUNE	1,084,292	644,979	1,032,581
JULY	644,979	980,871	706,306
AUGUST	980,871	767,634	634,017
SEPTEMBER	767,634	287,163	446,921
OCTOBER	287,163	126,208	250,221
NOVEMBER	126,208	213,279	169,744
DECEMBER	213,279	159,463	186,371
			<u>8,095,153</u>
			<u>674,596</u>

AVERAGE FAIR MARKET VALUE OF CASH

BANK OF AMERICA 0047 9754 6640
AVERAGE FAIR MARKET VALUE OF CASH

	BEGIN	END	AVERAGE
JANUARY	121,770	118992 87	120,381
FEBRUARY	118,993	115308 65	117,151
MARCH	115,309	118229 46	116,769
APRIL	118,229	121387 46	119,808
MAY	121,387	80537 29	100,962
JUNE	80,537	8362 02	191,916
JULY	8,362	303,294	111,219
AUGUST	303,294	214,076	203,256
SEPTEMBER	214,076	103,218	161,099
OCTOBER	103,218	108,121	107,780
NOVEMBER	108,121	112,342	110,231
DECEMBER	112,342	37,200	74,771
			<u>1,535,344</u>
			<u>127,945</u>

AVERAGE FAIR MARKET VALUE OF CASH

802,541.41**OTHER ASSETS**

DENTON ROYALTY	350,323 85
DENTON FARM	68,140 50
ANB CORP COMMON	1,084,980 00
TOTAL	<u>1,503,444.35</u>