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

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

2014

Open to Public Inspection

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

BOB L. HERD FOUNDATION
P. O. BOX 9340
TYLER, TX 75711-9340

A Employer identification number
75-2530305

B Telephone number (see instructions)
(903) 509-3456

C If exemption application is pending, check here ☐

D 1 Foreign organizations, check here ☐
2 Foreign organizations meeting the 85% test, check here and attach computation ☐

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

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

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

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

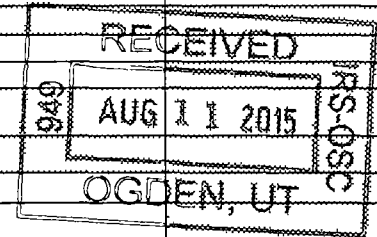
I Fair market value of all assets at end of year (from Part II, column (c), line 16)
\$ 32,144,397.

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

Part I Analysis of Revenue and Expenses

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

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc. received (attach schedule)				
2 Ck <input checked="" type="checkbox"/> if the foundn is not required to attach Sch B				
3 Interest on savings and temporary cash investments	277.	277.	N/A	
4 Dividends and interest from securities	1,389,391.	1,389,391.		
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	71,446.			
b Gross sales price for all assets on line 6a	1,905,839.			
7 Capital gain net income (from Part IV, line 2)		71,446.		
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)				
SEE STATEMENT 1	50,000.			
12 Total Add lines 1 through 11	1,511,114.	1,461,114.		
13 Compensation of officers, directors, trustees, etc	0.			
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach sch) SEE ST 2	2,950.	1,180.		1,770.
c Other prof fees (attach sch)				
17 Interest				
18 Taxes (attach schedule)(see instrs) SEE STM 3	33,464.	2,340.		
19 Depreciation (attach sch) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule)				
SEE STATEMENT 4	400,005.	141,720.		258,285.
24 Total operating and administrative expenses Add lines 13 through 23	436,419.	145,240.		260,055.
25 Contributions, gifts, grants paid PART XV	1,255,000.			1,255,000.
26 Total expenses and disbursements. Add lines 24 and 25	1,691,419.	145,240.		1,515,055.
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	-180,305.			
b Net investment income (if negative, enter 0)		1,315,874.		
c Adjusted net income (if negative, enter 0)				



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SCANNED AUG 13 2015

REVENUE
ADMINISTRATIVE
OPERATING
AND
EXPENSES

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		83,499.	29,180.	29,180.
	2	Savings and temporary cash investments		3,066,285.	1,752,506.	1,752,506.
	3	Accounts receivable				
		Less: allowance for doubtful accounts				
	4	Pledges receivable				
		Less: allowance for doubtful accounts				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)				
	7	Other notes and loans receivable (attach sch)				
		Less: allowance for doubtful accounts				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments — U S and state government obligations (attach schedule)				
	b	Investments — corporate stock (attach schedule) STATEMENT 5		8,410,067.	9,582,635.	8,777,702.
	c	Investments — corporate bonds (attach schedule) STATEMENT 6		3,500,000.	3,500,000.	5,370,655.
	11	Investments — land, buildings, and equipment basis				
	Less: accumulated depreciation (attach schedule)					
12	Investments — mortgage loans					
13	Investments — other (attach schedule) STATEMENT 7		15,340,365.	15,340,365.	16,214,335.	
14	Land, buildings, and equipment basis					
	Less: accumulated depreciation (attach schedule)					
15	Other assets (describe SEE STATEMENT 8)		34.	19.	19.	
16	Total assets (to be completed by all filers — see the instructions. Also, see page 1, item I)		30,400,250.	30,204,705.	32,144,397.	
LIABILITIES	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, & other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe)		15,240.		
	23	Total liabilities (add lines 17 through 22)		15,240.	0.	
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>					
	27	Capital stock, trust principal, or current funds				
	28	Paid-in or capital surplus, or land, bldg., and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds		30,385,010.	30,204,705.	
	30	Total net assets or fund balances (see instructions)		30,385,010.	30,204,705.	
	31	Total liabilities and net assets/fund balances (see instructions)		30,400,250.	30,204,705.	

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	30,385,010.
2	Enter amount from Part I, line 27a	2	-180,305.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	30,204,705.
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	30,204,705.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a 9800.000 PHILIP MORRIS INTL INC	P	8/22/13	6/26/14
b 10888.000 BAKER HUGHES INC	P	8/25/11	5/09/14
c 3000.000 SCHLUMBERGER LTD	P	6/05/09	5/09/14
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 846,254.		825,657.	20,597.
b 759,088.		721,244.	37,844.
c 300,497.		287,492.	13,005.
d			
e			

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

(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
a			20,597.
b			37,844.
c			13,005.
d			
e			

2 Capital gain net income or (net capital loss). [If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7]	2	71,446.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8]	3	20,597.

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes☒ No

If 'Yes,' the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year, see the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2013	1,423,009.	31,279,375.	0.045494
2012	1,526,920.	29,281,363.	0.052146
2011	1,434,214.	30,134,442.	0.047594
2010	1,293,866.	29,001,898.	0.044613
2009	1,513,532.	26,559,128.	0.056987

2 Total of line 1, column (d)	2	0.246834
3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.049367
4 Enter the net value of noncharitable-use assets for 2014 from Part X, line 5	4	32,224,942.
5 Multiply line 4 by line 3	5	1,590,849.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	13,159.
7 Add lines 5 and 6	7	1,604,008.
8 Enter qualifying distributions from Part XII, line 4	8	1,515,055.

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

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

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary – see instrs)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	26,317.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	26,317.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	26,317.
6 Credits/Payments			
a 2014 estimated tax pmts and 2013 overpayment credited to 2014	6 a	30,108.	
b Exempt foreign organizations – tax withheld at source	6 b		
c Tax paid with application for extension of time to file (Form 8868)	6 c	8,000.	
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments. Add lines 6a through 6d	7	38,108.	
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	0.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	11,791.	
11 Enter the amount of line 10 to be Credited to 2015 estimated tax 11,791. Refunded	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)? <i>If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation \$ 0. (2) On foundation managers \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities.</i>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T.</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) TX		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If 'No,' attach explanation</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2014 or the taxable year beginning in 2014 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes', attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>N/A</u>	13	X	
14	The books are in care of <u>JANICE THOMPSON</u> Telephone no <u>(903) 509-3456</u> Located at <u>3901 MANHATTAN TYLER TX</u> ZIP + 4 <u>75701</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year <u>N/A</u>	15		N/A
16	At any time during calendar year 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 <u></u>	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
1 a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input checked="" type="checkbox"/> Yes <input 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 <u></u>	1 b	X
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?	1 c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)).		
a At the end of tax year 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 <u>20</u> , <u>20</u> , <u>20</u> , <u>20</u>	<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)	2 b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <u>20</u> , <u>20</u> , <u>20</u> , <u>20</u>		
3 a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If 'Yes,' did it have excess business holdings in 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.)	3 b	N/A
4 a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2014?	4 b	X

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 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)?

5 b N/A

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?N/A ☐ Yes ☐ No

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

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

6 b X

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

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No**b** If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7 b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
BOB L. HERD 3901 MANHATTAN TYLER, TX 75701	PRESIDENT 7.00	0.	0.	0.
JANICE THOMPSON 3901 MANHATTAN TYLER, TX 75701	SEC-TREASURE 15.00	0.	0.	0.
MICHAEL HERD 3901 MANHATTAN TYLER, TX 75701	DIRECTOR 20.00	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1 — see instructions). If none, enter 'NONE.'

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

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

0

Part 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	29,893,475.
b Average of monthly cash balances	1b	2,822,183.
c Fair market value of all other assets (see instructions)	1c	19.
d Total (add lines 1a, b, and c)	1d	32,715,677.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2 Acquisition indebtedness applicable to line 1 assets	2	0.
3 Subtract line 2 from line 1d	3	32,715,677.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	490,735.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	32,224,942.
6 Minimum investment return. Enter 5% of line 5	6	1,611,247.

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	1,611,247.
2a Tax on investment income for 2014 from Part VI, line 5	2a	26,317.
b Income tax for 2014 (This does not include the tax from Part VI)	2b	
c Add lines 2a and 2b	2c	26,317.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	1,584,930.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	1,584,930.
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	1,584,930.

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	1,515,055.
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	1,515,055.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,515,055.

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				1,584,930.
2 Undistributed income, if any, as of the end of 2014:				
a Enter amount for 2013 only			1,512,031.	
b Total for prior years. 20____, 20____, 20____		0.		
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.			
4 Qualifying distributions for 2014 from Part XII, line 4 ▶ \$ 1,515,055.				
a Applied to 2013, but not more than line 2a			1,512,031.	
b Applied to undistributed income of prior years (Election required — see instructions)		0.		
c Treated as distributions out of corpus (Election required — see instructions)	0.			
d Applied to 2014 distributable amount				3,024.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2014 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount — see instructions		0.		
e Undistributed income for 2013. Subtract line 4a from line 2a Taxable amount — see instructions			0.	
f Undistributed income for 2014. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2015				1,581,906.
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)	0.			
8 Excess distributions carryover from 2009 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2015. Subtract lines 7 and 8 from line 6a	0.			
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)

N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 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(j)(5)

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

Tax year	Prior 3 years			(e) Total
(a) 2014	(b) 2013	(c) 2012	(d) 2011	
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))

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

NONE

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

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

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

SEE STATEMENT 9

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

SEE STATEMENT FOR LINE 2A

c Any submission deadlines

SEE STATEMENT FOR LINE 2A

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

SEE STATEMENT FOR LINE 2A

Part XV Supplementary Information (continued)**3** Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient		If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)					
a Paid during the year					
SEE ATTACHED STATEMENT 10		N/A	501 (C) (SEE ATTACHED STMT 3)		1,255,000.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions.)
		(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1	Program service revenue					
a						
b						
c						
d						
e						
f						
g	Fees and contracts from government agencies					
2	Membership dues and assessments					
3	Interest on savings and temporary cash investments			14	277.	
4	Dividends and interest from securities			14	1,389,391.	
5	Net rental income or (loss) from real estate					
a	Debt-financed property					
b	Not debt-financed property					
6	Net rental income or (loss) from personal property					
7	Other investment income					
8	Gain or (loss) from sales of assets other than inventory			18	71,446.	
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue					
a	TAX EXEMPT INTEREST			14	50,000.	
b						
c						
d						
e						
12	Subtotal. Add columns (b), (d), and (e)				1,511,114.	
13	Total. Add line 12, columns (b), (d), and (e)				13	1,511,114.

(See worksheet in line 13 instructions to verify calculations)

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

[illegible]

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STATEMENT 1
FORM 990-PF, PART I, LINE 11
OTHER INCOME

	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
TAX EXEMPT INTEREST			
TOTAL	\$ 50,000. \$ 50,000.	\$ 0. \$ 0.	\$ 0. \$ 0.

STATEMENT 2
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES				
TOTAL	\$ 2,950. \$ 2,950.	\$ 1,180. \$ 1,180.		\$ 1,770. \$ 1,770.

STATEMENT 3
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAX ON INVESTMENT INCOME	\$ 31,124.			
FOREIGN TAX	2,340.	\$ 2,340.		
TOTAL	\$ 33,464.	\$ 2,340.		\$ 0.

STATEMENT 4
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ADMINISTRATIVE REIMBURSEMENT	\$ 400,000.	\$ 141,715.		\$ 258,285.
FILING FES	5.	5.		
TOTAL	\$ 400,005.	\$ 141,720.		\$ 258,285.

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STATEMENT 5
FORM 990-PF, PART II, LINE 10B
INVESTMENTS - CORPORATE STOCKS

<u>CORPORATE STOCKS</u>	<u>VALUATION METHOD</u>	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
CORPORATE STOCKS - SEE ATTACHED DETAIL	COST	\$ 9,582,635.	\$ 8,777,702.
	TOTAL	<u>\$ 9,582,635.</u>	<u>\$ 8,777,702.</u>

STATEMENT 6
FORM 990-PF, PART II, LINE 10C
INVESTMENTS - CORPORATE BONDS

<u>CORPORATE BONDS</u>	<u>VALUATION METHOD</u>	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
CORPORATE BONDS - SEE ATTACHED DETAIL	COST	\$ 3,500,000.	\$ 5,370,655.
	TOTAL	<u>\$ 3,500,000.</u>	<u>\$ 5,370,655.</u>

STATEMENT 7
FORM 990-PF, PART II, LINE 13
INVESTMENTS - OTHER

<u>OTHER INVESTMENTS</u>	<u>VALUATION METHOD</u>	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
OTHER INVESTMENTS - SEE ATTACHED DETAIL	COST	\$ 15,340,365.	\$ 16,214,335.
	TOTAL	<u>\$ 15,340,365.</u>	<u>\$ 16,214,335.</u>

STATEMENT 8
FORM 990-PF, PART II, LINE 15
OTHER ASSETS

		<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
ACCRUED DIVIDEND RECEIVABLE		\$ 19.	\$ 19.
	TOTAL	<u>\$ 19.</u>	<u>\$ 19.</u>

STATEMENT 9
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION

NAME OF GRANT PROGRAM:
NAME: JANICE THOMPSON
CARE OF:
STREET ADDRESS: 3901 MANHATTAN
CITY, STATE, ZIP CODE: TYLER, TX 75701
TELEPHONE: (903) 509-3456
E-MAIL ADDRESS:

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STATEMENT 9 (CONTINUED)
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION

FORM AND CONTENT:	APPLICATIONS SHOULD BE MADE IN WRITING WITH A COPY OF THE ORGANIZATION'S DETERMINATION LETTER FOR SEC. 501(C) (3) STATUS.
SUBMISSION DEADLINES:	NONE
RESTRICTIONS ON AWARDS:	NONE

FORM 990-PF	CORPORATE STOCK	STATEMENT 5
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
76165 SH AT&T INC	2,622,310	2,558,382
24127 SH DOW CHEMICAL CO	819,826	1,100,432
44398 SH NUCOR CORPORATION	2,570,987	2,177,722
12000 SH PHILIP MORRIS INTL INC	992,578	977,400
11145 SH POTASH CORP SASKATCHEWAN INC	621,857	393,641
37500 SH SOUTHSIDE BANCSHARES INC	1,012,757	1,084,125
18175 SH UNITED STATES STEEL CORP-NEW	942,320	486,000
TOTAL TO FORM 990-PF, PART II, LINE 10b END OF YEAR	9,582,635	8,777,702

FORM 990-PF	OTHER INVESTMENTS	STATEMENTS 6 & 7
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
41756.144 SH AMERICAN CAPITAL INCOME BUILDER FUND CL A	1,750,000	2,487,831
133587.786 SH AMERICAN INCOME FUND OF AMERICA CL A	1,750,000	2,882,824
2700000 SH NORTH TEX TWY AUTH REV BUILD AMERICA	3,206,244	3,283,011
1000000 SH DALLAS TEX ISD SCH U/T TXBLE BUILD AMERICA BOND	1,108,710	1,197,860
880000 SH GATESVILLE TEX TAXABLE-UTIL SYS	900,530	927,599
900000 SH SOUTH SAN ANTONIO TEX ISD TXBLE	961,803	1,027,440
1650000 SH SAN ANTONIO TEX GEN IMPT TXBLE BUILD AMERICA	1,857,236	1,896,000
2000000 SH NORTHSIDE TEX ISD TXBLE BUILD AMERICA	1,980,000	2,243,920
835000 SH SAN ANTONIO TEX ISD U/T TXBLE BUILD AMERICA	880,516	982,712
1100000 SH TERRELL TEX TAXABLE-WTRWKS	1,144,286	1,215,423
2000000 SH UNIVERSITY TEX UNIV REVS FING TXBLE BUILD AMERICA	2,143,120	2,313,120
1000000 SH SOUTHWEST HIGHER ED AUTH INC TEX REV	1,157,920	1,127,250
TOTAL TO FORM 990-PF, PART II, LINE 13 END OF YEAR	18,840,365	21,584,990

FORM 990-PF

GRANTS AND CONTRIBUTIONS
PAID DURING THE YEAR

STATEMENT 10

RECIPIENT NAME & ADDRESS	RELATIONSHIP	STATUS	PURPOSE	AMOUNT
ALBA VOLUNTEER FIRE DEPT PO BOX 197 ALBA, TX 75410	N/A	PUBLIC CHARITY	RURAL VOLUN- TEER FIRE DEPT ASSISTANCE	1,000
ALBANY VFD 216 MAIN STREET ALBANY, TX 76430	N/A	PUBLIC CHARITY	RURAL VOLUN- TEER FIRE DEPT ASSISTANCE	1,000
ALZHEIMER'S ALLIANCE OF NE TEXAS 211 WINCHESTER DR TYLER, TX 75701	N/A	PUBLIC CHARITY	MEDICAL RESEARCH	5,000
ATHENS SAMARITANS, INC DBA LABOR OF LOVE P O. BOX 350 ATHENS, TX 75751	N/A	PUBLIC CHARITY	PROVIDE FREE HOME REPAIRS TO LOW INCOME FAMILIES	5,000
BAIRD VFD PO BOX 1013 BAIRD, TX 79504	N/A	PUBLIC CHARITY	VOLUNTEER FIRE DEPT	5,000
BAIRD FOUNDATION PO BOX 601 BAIRD, TX 79504	N/A	PUBLIC CHARITY	RESTORATION OF HISTORICAL BUILDINGS	5,000
CANCER FOUNDATION FOR LIFE PO BOX 8257 TYLER, TX 75711	N/A	PUBLIC CHARITY	REHABILITATE CANCER SURVIVORS	500
CYSTIC FIBROSIS FOUNDATION NORTHEAST TEXAS CHAPTER PO BOX 7190 TYLER, TX 75711	N/A	PUBLIC CHARITY	MEDICAL RESEACH AND EDUCATION/ IMPROVE QUALITY OF LIFE	5,000
EAST TEXAS COMMUNITIES FND 315 N BROADWAY, STE 210 TYLER, TX 75702	N/A	PUBLIC CHARITY	TEXAS TECH UNIVERSITY SCHOLARSHIP	16,000
EAST TEXAS CRISIS CENTER P.O. BOX 7060 TYLER, TX 75711	N/A	PUBLIC CHARITY	ASSIST VICTIMS OF FAMILY & OTHER VIOLENT CRIMES	25,000
EAST TEXAS GEOLOGICAL SOCIETY 1808 EVERGLADES DR TYLER, TX 75703	N/A	PUBLIC CHARITY	SOCIETY FOR EDUCATION & NET- WORKING OF O&G PROFESSIONALS	500
ETMC FOUNDATION PO BOX 6400 TYLER, TX 75711	N/A	PUBLIC CHARITY	SUPPORT MISSION & OUTREACH OF ETMC HEALTHCARE SYSTEM	10,000

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FC TYLER THUNDER SOCCER CLUB 3008 YASMEEN CIRCLE FLINT, TX 75762	N/A	PUBLIC CHARITY	PROMOTES SKILL ADVANCEMENT AND TEAMWORK	500
HABITAT FOR HUMANITY 822 W FRONT ST TYLER, TX 75702	N/A	PUBLIC CHARITY	CONSTRUCTION OF HOUSING FOR THE NEEDY	5,000
HISTORIC AVIATION MEMORIAL MUSEUM 150 AIRPORT DR TYLER, TX 75704	N/A	PUBLIC CHARITY	HISTORICAL EDUCATION	5,000
HOSPICE OF EAST TEXAS 4111 UNIVERSITY BLVD TYLER, TX 75701	N/A	PUBLIC CHARITY	CARE AND COMFORT OF THE TERMINALLY ILL & THEIR FAMILIES	5,000
LITERACY COUNCIL OF TYLER PO BOX 6662 TYLER, TX 75711	N/A	PUBLIC CHARITY	IMPROVEMENT OF ADULT LITERACY SKILLS	5,000
M D ANDERSON CANCER CENTER PO BOX 4464 HOUSTON, TX 77210-4464	N/A	PUBLIC CHARITY	MEDICAL RESEARCH	5,000
MARVIN METHODIST CHURCH 300 W. ERWIN TYLER, TX 75702	N/A	PUBLIC CHARITY	RELIGIOUS	49,000
METHODIST HOME 1111 HERRING AVE WACO, TX 76708	N/A	PUBLIC CHARITY	COMPREHENSIVE PROGRAM OF CHILD CARE	2,000
MISSION OF MIRACLES BAIRD PO BOX 774 BAIRD, TX 79504	N/A	PUBLIC CHARITY	PROVIDE FOOD AND CLOTHING FOR THE NEEDY	10,000
MORAN VFD P O BOX 155 MORAN, TX 76464	N/A	PUBLIC CHARITY	VOLUNTEER FIRE DEPT	2,000
NATIONAL CENTER FOR MISSING CHILDREN 8668 SPICEWOOD SPRINGS RD, STE 200 AUSTIN, TX 78759	N/A	PUBLIC CHARITY	ASSISTS LAW ENFORCEMENT TO PROTECT AND RESCUE CHILDREN	5,000
PARENT SERVICES CENTER, INC PO BOX 6807 TYLER, TX 75711-6807	N/A	PUBLIC CHARITY	EDUCATION, SUPPORT AND RESOURCES TO PREVENT CHILD ABUSE	1,000
PARENTS ANONYMOUS OF TYLER 717 W. HOUSTON ST TYLER, TX 75702	N/A	PUBLIC CHARITY	PROGRAMS TO PREVENT CHILD ABUSE	5,000

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TAX YEAR ENDED DECEMBER 31, 2014

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PATH 402 W FRONT ST TYLER, TX 75702	N/A	PUBLIC CHARITY	EMERGENCY ASSISTANCE AND IMPROVEMENT OF LIFE FOR NEEDY	25,000
SALVATION ARMY PO DRAWER 2050 TYLER, TX 75710	N/A	PUBLIC CHARITY	FOOD AND SHELTER FOR THE NEEDY	10,000
SHACKELFORD COUNTY COMMUNITY RESOURCE CENTER P O BOX 2435 ALBANY, TX 76430	N/A	PUBLIC CHARITY	PROVIDES FOOD, HEALTH EDUCATION & HUMAN SERVICES	1,000
SHACKELFORD CO RURAL FIRE DEPT PO BOX 2548 ALBANY, TX 76430	N/A	PUBLIC CHARITY	VOLUNTEER FIRE DEPT	1,000
SMITH COUNTY SHERIFF'S DEPT 227 N SPRING AVE TYLER, TX 75702	N/A	PUBLIC CHARITY	SUPPORT SPECIAL PROJECTS WITHIN SHERIFF'S DEPT	5,000
SUSAN G KOMEN FOR THE CURE PO BOX 6217 TYLER, TX 75711	N/A	PUBLIC CHARITY	BREAST CANCER DETECTION AND EDUCATION	1,000
TEXAS TECH ALUMNI ASSOC P O BOX 45001 LUBBOCK, TX 79409-5001	N/A	PUBLIC CHARITY	STUDENT SCHO- LARSHIPS/FINAN- CIAL AID TO STAFF & FACULTY/ALUMNI NETWORKING	3,000
TEXAS TECH UNIVERSITY FND PO BOX 42025 LUBBOCK, TX 79409-2013	N/A	PUBLIC CHARITY	PROVIDE FOR SCHOLARSHIPS	720,000
TEXAS TECH UNIVERSITY PO BOX 43103 LUBBOCK, TX 79409-3103	N/A	PUBLIC CHARITY	PROVIDE FOR SCHOLARSHIPS	50,000
TISD FOUNDATION 315 N BROADWAY, STE 401 TYLER, TX 75702	N/A	PUBLIC CHARITY	PROVIDE FOR TEACHER INCEN- TIVES & GRANTS	1,000
TRINITY MOTHER FRANCES FND 611 SOUTH FLEISHEL TYLER, TX 75701	N/A	PUBLIC CHARITY	ENHANCE COMMUNITY HEALTH	5,000
TYLER JR. COLLEGE FOUNDATION PO BOX 9020 TYLER, TX 75711	N/A	PUBLIC CHARITY	PROVIDE FOR SCHOLARSHIPS	201,000

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TAX YEAR ENDED DECEMBER 31, 2014

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TYLER POLICE FOUNDATION 711 WEST FERGUSON ST TYLER, TX 75702	N/A	PUBLIC CHARITY	PROVIDE FUNDS FOR PROJECTS NOT COVERED BY CITY BUDGET	1,500
TYLER-SMITH COUNTY CHILD WELFARE P.O. BOX 132494 TYLER, TX 75713	N/A	PUBLIC CHARITY	SUPPORT FOR FOSTER CHILDREN	2,000
UNITED WAY OF ABILENE P O BOX 82 ABILENE, TX 79604	N/A	PUBLIC CHARITY	SUPPORT TO LOCAL AGENCIES PROVIDING HUMAN SERVICES NEEDS	25,000
UNITED WAY OF TYLER/SMITH CNTY 4000 SOUTHPARK DR , #1200 TYLER, TX 75703	N/A	PUBLIC CHARITY	SUPPORT TO LOCAL AGENCIES PROVIDING HUMAN SERVICES NEEDS	5,000
UNIVERSITY OF TEXAS AT TYLER 3900 UNIVERSITY BLVD TYLER, TX 75799	N/A	PUBLIC CHARITY	PROVIDE FOR SCHOLARSHIPS	5,000
WELL AWARE INC 2808 BEE CAVES RD AUSTIN, TX 78746	N/A	PUBLIC CHARITY	SOLUTIONS TO WATER SCARCITY IN AFRICA	10,000
WEST TEXAS REHABILITATION CENTER 4601 HARTFORD ABILENE TX 79605	N/A	PUBLIC CHARITY	SERVICES FOR DISABLED	5,000
TOTAL TO FORM 990-PF, PART XV, LINE 3A				<u>1,255,000</u>