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For calendar year 2014, or tax year beginning 01-01-2014 , and ending 12-31-2014

Name of foundation R W FAIR FOUNDATION		<b>A Employer identification number</b>  75-6015270	
Number and street (or P O box number if mail is not delivered to street address) P O BOX 689		<b>B Telephone number</b> (see instructions)  (903) 592-3811	
City or town, state or province, country, and ZIP or foreign postal code TYLER, TX 75710		<b>C</b> If exemption application is pending, check here <input type="checkbox"/>	
<b>G</b> 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		<b>D 1.</b> Foreign organizations, check here <input type="checkbox"/> <b>2.</b> Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>	
<b>H</b> 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		<b>E</b> If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>	
<b>I</b> Fair market value of all assets at end of year (from Part II, col. (c), line 16) <input checked="" type="checkbox"/> \$ 14,819,708		<b>F</b> If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>	
<b>J</b> Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule) . . . . .				
	2 Check <input checked="" type="checkbox"/> if the foundation is <b>not</b> required to attach Sch B . . . . .				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities. . . . .	216,015	216,015		
	5a Gross rents . . . . .	44,500	44,500		
	b Net rental income or (loss) <u>23,147</u>				
	6a Net gain or (loss) from sale of assets not on line 10	426,051			
	b Gross sales price for all assets on line 6a <u>1,058,120</u>				
	7 Capital gain net income (from Part IV, line 2) . . .		426,051		
	8 Net short-term capital gain . . . . .				
	9 Income modifications . . . . .				
	10a Gross sales less returns and allowances				
Operating and Administrative Expenses	b Less Cost of goods sold . . . . .				
	c Gross profit or (loss) (attach schedule) . . . . .				
	11 Other income (attach schedule) . . . . .	<input checked="" type="checkbox"/> 83,779	83,779		
	12 <b>Total.</b> Add lines 1 through 11 . . . . .	770,345	770,345		
	13 Compensation of officers, directors, trustees, etc	6,950	6,950		
	14 Other employee salaries and wages . . . . .	28,747	26,447		2,300
	15 Pension plans, employee benefits . . . . .				
	16a Legal fees (attach schedule) . . . . .	<input checked="" type="checkbox"/> 1,033	1,033		
	b Accounting fees (attach schedule) . . . . .	<input checked="" type="checkbox"/> 7,900	7,900		
	c Other professional fees (attach schedule) . . . . .	<input checked="" type="checkbox"/> 72,743	72,743		
	17 Interest . . . . .				
	18 Taxes (attach schedule) (see instructions) . . . . .	<input checked="" type="checkbox"/> 23,984	13,100		271
	19 Depreciation (attach schedule) and depletion . . . . .	<input checked="" type="checkbox"/> 3,855	3,855		
	20 Occupancy . . . . .				
	21 Travel, conferences, and meetings . . . . .				
	22 Printing and publications . . . . .				
	23 Other expenses (attach schedule) . . . . .	<input checked="" type="checkbox"/> 107,681	107,681		
	24 <b>Total operating and administrative expenses.</b> Add lines 13 through 23 . . . . .	252,893	239,709		2,571
	25 Contributions, gifts, grants paid . . . . .	242,400			242,400
	26 <b>Total expenses and disbursements.</b> Add lines 24 and 25	495,293	239,709		244,971
	27 Subtract line 26 from line 12				
	a <b>Excess of revenue over expenses and disbursements</b>	275,052			
	b <b>Net investment income</b> (if negative, enter -0-)		530,636		
	c <b>Adjusted net income</b> (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
Assets	1	Cash—non-interest-bearing . . . . .	70,502	66,059	66,059
	2	Savings and temporary cash investments . . . . .	118,302	179,152	179,152
	3	Accounts receivable ▶ <u>23,508</u>			
		Less allowance for doubtful accounts ▶ _____	27,815	23,508	23,508
	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 . . . . .		5,230	5,230
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule) . . . . .	13,127,418	14,197,585	14,197,585
	c	Investments—corporate bonds (attach schedule). . . . .			
	11	Investments—land, buildings, and equipment basis ▶ <u>197,080</u>			
Liabilities		Less accumulated depreciation (attach schedule) ▶ <u>48,511</u>	229,851	148,569	147,525
	12	Investments—mortgage loans . . . . .			
	13	Investments—other (attach schedule) . . . . .	14,504	14,503	200,649
	14	Land, buildings, and equipment basis ▶ _____			
		Less accumulated depreciation (attach schedule) ▶ _____			
	15	Other assets (describe ▶ _____)			
	16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	13,588,392	14,634,606	14,819,708
	17	Accounts payable and accrued expenses . . . . .	5,650	6,110	
	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) . . . . .	5,650	6,110	
Net Assets or Fund Balances		Foundations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24	Unrestricted . . . . .	13,582,742	14,628,496	
	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 . . . . .			
	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) . . . . .	13,582,742	14,628,496	
	31	Total liabilities and net assets/fund balances (see instructions) . . .	13,588,392	14,634,606	

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 13,582,742
2	Enter amount from Part I, line 27a . . . . .	2 275,052
3	Other increases not included in line 2 (itemize) ▶ _____	3 770,702
4	Add lines 1, 2, and 3 . . . . .	4 14,628,496
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 14,628,496

Part IV

Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co )		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr )	(d) Date sold (mo , day, yr )
1a	See Additional Data Table			
b				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	See Additional Data Table		
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(I) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(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	
a	See Additional Data Table		
b			
c			
d			
e			

2	Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	426,051
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)  If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8 . . . . .	}	3	

Part V

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

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

1 Enter the appropriate amount in each column for each year, see 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	270,556	11,963,073	0 02262
2012	337,938	10,316,755	0 03276
2011	270,990	9,426,712	0 02875
2010	3,043,006	9,483,136	0 32089
2009	423,840	8,333,885	0 05086

2	Total of line 1, column (d). . . . .	2	0 45586
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 09117
4	Enter the net value of noncharitable-use assets for 2014 from Part X, line 5. . . . .	4	13,964,733
5	Multiply line 4 by line 3. . . . .	5	1,273,193
6	Enter 1% of net investment income (1% of Part I, line 27b). . . . .	6	5,306
7	Add lines 5 and 6. . . . .	7	1,278,499
8	Enter qualifying distributions from Part XII, line 4. . . . .	8	244,971

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 VIExcise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a		Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1			
Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)					
b		Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b . . . . .		1	10,613
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	10,613
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	10,613
6		Credits/Payments			
a		2014 estimated tax payments and 2013 overpayment credited to 2014	6a	13,360	
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	13,360
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	
10		Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid. . . . .		10	2,747
11		Enter the amount of line 10 to be Credited to 2015 estimated tax <input type="checkbox"/> 2,747 Refunded <input type="checkbox"/>		11	

Part VII-AStatements Regarding Activities

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

Part VII-A

Statements Regarding Activities *(continued)*

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions).	11		No
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	
Website address N/A				
14	The books are in care of RACHEL LARSON Telephone no (903) 592-3811 Located at PO BOX 689 TYLER TX ZIP+4 75710			
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.	15		
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?	16	Yes	No
See instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR) If "Yes", enter the name of the foreign country				

Part VII-B

Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			Yes	No
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? Yes No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? Yes No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? Yes No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? Yes No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? Yes No			
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days ). Yes No			
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here.	1b		No
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		No
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 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 Yes 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		No
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here 20 , 20 , 20 , 20			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? Yes No			
b	If "Yes," did it have excess business holdings in 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		No
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2014?	4b		No

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

No

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  No

b

Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

6b

No

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?

7b

No

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
See Additional Data Table				

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	
2	
3	
4	

Part IX-B

Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3. . . . .	



Part X

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities. . . . .	1a	13,535,661
b	Average of monthly cash balances. . . . .	1b	267,568
c	Fair market value of all other assets (see instructions). . . . .	1c	374,165
d	Total (add lines 1a, b, and c). . . . .	1d	14,177,394
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	
3	Subtract line 2 from line 1d. . . . .	3	14,177,394
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions). . . . .	4	212,661
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	13,964,733
6	Minimum investment return. Enter 5% of line 5. . . . .	6	698,237

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	698,237
2a	Tax on investment income for 2014 from Part VI, line 5. . . . .	2a	10,613
b	Income tax for 2014 (This does not include the tax from Part VI ). . . . .	2b	
c	Add lines 2a and 2b. . . . .	2c	10,613
3	Distributable amount before adjustments Subtract line 2c from line 1. . . . .	3	687,624
4	Recoveries of amounts treated as qualifying distributions. . . . .	4	
5	Add lines 3 and 4. . . . .	5	687,624
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	687,624

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	244,971
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	244,971
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	244,971

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			
2		Undistributed income, if any, as of the end of 2014			
a		Enter amount for 2013 only.			
b		Total for prior years 20____, 20____, 20____			
3		Excess distributions carryover, if any, to 2014			
a		From 2009.			
b		From 2010. 1,488,423			
c		From 2011.			
d		From 2012.			
e		From 2013.			
f		Total of lines 3a through e. 1,488,423			
4		Qualifying distributions for 2014 from Part XII, line 4 \$ 244,971			
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). 0			
d		Applied to 2014 distributable amount. 244,971			
e		Remaining amount distributed out of corpus			
5		Excess distributions carryover applied to 2014 442,653 442,653			
		(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 1,045,770			
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. 0			
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. 1,045,770			
10		Analysis of line 9			
a		Excess from 2010. 1,045,770			
b		Excess from 2011.			
c		Excess from 2012.			
d		Excess from 2013.			
e		Excess from 2014.			

Part XIVPrivate 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.

b

Check box to indicate whether the organization is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

☐ 4942(j)(3) or ☐ 4942(j)(5)

2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed.	Tax year	Prior 3 years			(e) Total
		(a) 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 XVSupplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year—see instructions.)

1

Information Regarding Foundation Managers:

a

List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2) )

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

BARBARA FAIR  
PO BOX 689  
TYLER, TX 75710  
(903) 510-6535

b

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

LETTER

c

Any submission deadlines

NONE

d

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

NONE

Form 990-PF (2014)

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

Form **990-PF** (2014)

Enter gross amounts unless otherwise indicated

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

Form **990-PF** (2014)



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

(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co )	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr )	(d) Date sold (mo , day, yr )
2000 EXPRESS SCRIPTS HOLDING CO	P	2009-04-30	2014-05-01
1500 EXPRESS SCRIPTS HOLDING CO	P	2009-09-09	2014-05-01
4400 CIRRUS LOGIC INC	P	2011-05-26	2014-05-05
2600 CIRRUS LOGIC INC	P	2011-06-17	2014-05-05
1000 CIRRUS LOGIC INC	P	2011-06-28	2014-05-05
500 HOME DEPOT INC	P	2008-05-22	2014-05-05
1500 ORACLE CORP	P	1998-09-17	2014-05-05
700 ORACLE CORP	P	2008-09-15	2014-05-05
1 TIME INC	P	2011-08-31	2014-06-06
600 COVIDEN PLC	P	2011-05-26	2014-08-15

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

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
132,572		64,684	67,888
99,429		55,936	43,493
97,768		71,323	26,445
57,772		35,755	22,017
22,220		14,917	7,303
39,521		13,502	26,019
61,368		6,781	54,587
28,638		13,422	15,216
12		5	7
52,203		29,861	22,342

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

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) 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	
			67,888
			43,493
			26,445
			22,017
			7,303
			26,019
			54,587
			15,216
			7
			22,342

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

(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co )	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr )	(d) Date sold (mo , day, yr )
400 COVIDEN PLC	P	2011-08-15	2014-08-15
1200 EMERSON ELECTRIC CO	P	2007-12-31	2014-08-15
200 EOG RESOURCES INC	P	2009-12-03	2014-08-15
250 INTL BUSINESS MACHINES	P	2011-03-16	2014-08-15
150 INTL BUSINESS MACHINES	P	2013-04-22	2014-08-15
437 TIME INC	P	2011-08-31	2014-08-15
200 THERMO FISHER SCIENTIFIC	P	2012-10-16	2014-08-15
400 WELLS FARGO & CO	P	2013-04-22	2014-08-15
1 HALYARD HEALTH INC	P	1987-10-23	2014-11-03
275 HALYARD HEALTH INC	P	1987-10-23	2014-11-19

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

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
34,802		18,287	16,515
75,273		68,322	6,951
21,233		8,759	12,474
46,811		38,475	8,336
28,087		28,627	-540
10,444		4,543	5,901
24,161		12,061	12,100
20,003		14,724	5,279
18		2	16
10,561		1,020	9,541

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

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) 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	
			16,515
			6,951
			12,474
			8,336
			-540
			5,901
			12,100
			5,279
			16
			9,541



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

(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co )	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr )	(d) Date sold (mo , day, yr )
63 HALYARD HEALTH INC	P	2006-03-20	2014-11-19
1000 COCA COLA CO	P	1999-12-20	2014-11-24
500 VERIZON COMMUNICATIONS	P	2004-08-12	2014-11-24
1000 VERIZON COMMUNICATIONS	P	2004-08-13	2014-11-24
1000 VERIZON COMMUNICATIONS	P	2005-07-27	2014-11-24
500 VERIZON COMMUNICATIONS	P	2008-07-01	2014-11-24
1 CLASS ACTION SECURITY	P	1955-01-01	2014-10-23
1 AIG CLASS ACTION SETTLEMENT	P	1955-01-01	2014-11-24

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

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
2,405		1,229	1,176
44,695		29,625	15,070
24,664		17,690	6,974
49,327		35,037	14,290
49,327		30,841	18,486
24,664		16,641	8,023
28			28
114			114

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

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) 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	
			1,176
			15,070
			6,974
			14,290
			18,486
			8,023
			28
			114

Form 990PF Part VIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation

(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
MEL LOVELADY	Director 0 00	0		
3617 JILL CIRCLE TYLER,TX 75710				
RANDY ROBERTS	Director 0 00	0		
500 PLAZA TOWER 110 NCOLLEGE TYLER,TX 75702				
SHERRI HARRIS	Sec/Treasurer 5 00	0		
PO BOX 689 TYLER,TX 75710				
HAROLD BEAIRD	Director 0 00	0		
PO BOX 1830 TYLER,TX 75710				
ALLEN FAIR	Director 0 00	0		
PO BOX 689 TYLER,TX 75710				
RACHEL LARSON	Asst Sec-Treas 5 00	6,950		
PO BOX 689 TYLER,TX 75710				
JOHN R BOB GARRETT	Vice President 5 00	0		
PO BOX 689 TYLER,TX 75710				
BARBARA KING FAIR	President 10 00	0		
PO BOX 689 TYLER,TX 75710				

## TY 2014 Accounting Fees Schedule

**Name:** R W FAIR FOUNDATION

**EIN:** 75-6015270

**Software ID:** 14000265

**Software Version:** 2014v5.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING	7,900	7,900	0	0

**TY 2014 Investments - Land Schedule****Name:** R W FAIR FOUNDATION**EIN:** 75-6015270**Software ID:** 14000265**Software Version:** 2014v5.0

Category/ Item	Cost/Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
Buildings	3,543		3,543	
Improvements	57,817	48,511	9,306	
Land	135,720		135,720	147,525

**TY 2014 Investments - Other Schedule****Name:** R W FAIR FOUNDATION**EIN:** 75-6015270**Software ID:** 14000265**Software Version:** 2014v5.0

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
producing royalty	AT COST	146,161	200,649
non producing royalty	AT COST	29,316	
reserve for depletion	AT COST	160,974	

**TY 2014 Legal Fees Schedule****Name:** R W FAIR FOUNDATION**EIN:** 75-6015270**Software ID:** 14000265**Software Version:** 2014v5.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LEGAL FEES	1,033	1,033	0	0

**TY 2014 Other Expenses Schedule****Name:** R W FAIR FOUNDATION**EIN:** 75-6015270**Software ID:** 14000265**Software Version:** 2014v5.0

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
DUES & SUBSCRIPTIONS	500	500		
IMPAIRMENT LOSS	85,971	85,971		
INSURANCE	2,498	2,498		
MISC	217	217		
Rental Expenses	17,498	17,498		
ROYALTY OTHER DEDUCTIONS	997	997		

TY 2014 Other Income Schedule

**Name:** R W FAIR FOUNDATION

**EIN:** 75-6015270

**Software ID:** 14000265

**Software Version:** 2014v5.0

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
Other Investment Income	83,779	83,779	



**TY 2014 Other Professional Fees Schedule****Name:** R W FAIR FOUNDATION**EIN:** 75-6015270**Software ID:** 14000265**Software Version:** 2014v5.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
BROKERAGE FEES	72,743	72,743	0	0

**TY 2014 Taxes Schedule****Name:** R W FAIR FOUNDATION**EIN:** 75-6015270**Software ID:** 14000265**Software Version:** 2014v5.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
AD VALOREM TAX-ROYALTIES	7,432	7,432		
EXCISE TAXES	10,613			
GROSS PRODUCTION TAX	2,522	2,522		
payroll taxes	3,383	3,112		271
STATE TAXES	34	34		

**SCHEDULE #1  
R.W. FAIR FOUNDATION  
75-6015270  
CONTRIBUTIONS FOR THE YEAR 2014**

<b><u>CASH CONTRIBUTIONS</u></b>	<b><u>2014</u></b>
<b><u>COMMUNITY SERVICES AND OTHER ACTIVITIES</u></b>	
Boy Scouts of America 1331 East Fifth Street Tyler, TX 75701	\$ 10,200
Boys & Girls Club of Smith County, Inc 325 S Broadway Ave Tyler, TX 75702	30,000
CASA for Kids of East Texas, Inc 318 E Fifth St Tyler, TX 75701	1,000
East Texas Communities Foundation 315 N Broadway Ave , #210 Tyler, TX 75702	8,500
East Texas Crisis Center P O Box 7060 Tyler, TX 75711	2,000
East Texas Food Bank P O Box 6974 Tyler, TX 75711	1,000
Habitat for Humanity 324 E Locust Street Tyler, TX 75702	5,000
Junior Achievement of Tyler 2737 S Broadway, Suite 207 Tyler, TX 75701	1,000
Lift Up America 27525 Puerta Real, Ste 100-421 Mission Viejo, CA 92691	3,000
Meals on Wheels Ministry, Inc 3001 Robertson Road Tyler, TX 75701	1,000
North Tyler Day Nursery 2624 Carter Blvd W Tyler, TX 75702	1,000
PATH - People Attempting to Help 402 W Front Street Tyler, TX 75702	10,000

**SCHEDULE #1  
R.W. FAIR FOUNDATION  
75-6015270  
CONTRIBUTIONS FOR THE YEAR 2014**

	<u>2014</u>
<b><u>CASH CONTRIBUTIONS - CONT'D</u></b>	
<b><u>COMMUNITY SERVICES AND OTHER ACTIVITIES - CONT'D</u></b>	
Tyler Day Nursery 2901 West Gentry Parkway Tyler, TX 75702	\$ 1,000
Total Community Services	<u>\$ 74,700</u>
<b><u>MEDICAL ORGANIZATIONS</u></b>	
American Cancer Society, Inc 1301 S Broadway Ave Tyler, TX 75701	\$ 2,500
Autism Speaks 1060 State Road, 2nd Floor Princeton, NJ 08540	500
Bethesda Heath Clinic 409 W Ferguson St Tyler, TX 75702	3,000
Cancer Foundation for Life, Inc P O Box 130849 Tyler, TX 75713	3,500
Cystic Fibrosis Foundation 122 S College Ave Tyler, TX 75702	1,000
Hospice of East Texas 4111 University Blvd Tyler, Tx 75701	2,000
Therapet P O Box 130118 Tyler, TX 75713	500
University of Texas Health Science Center @ Tyler 11937 US Highway 271 Tyler, TX 75708	10,000
Total Medical Organizations	<u>\$ 23,000</u>

**SCHEDULE #1  
R.W. FAIR FOUNDATION  
75-6015270  
CONTRIBUTIONS FOR THE YEAR 2014**

<b><u>CASH CONTRIBUTIONS - CONT'D</u></b>	<b><u>2014</u></b>
<b><u>EDUCATIONAL ACTIVITIES</u></b>	
Camp Tyler Foundation P O Box 1916 Whitehouse, TX 75791-1916	\$ 1,000
Lindale ISD Education Foundation P O Box 370 Lindale, TX 75771	1,000
Literacy Council of Tyler 1530 S Southwest Loop 323 #20 Tyler, TX 75701	1,500
Stephen F Austin St Univ P O Box 6092 SFA Nacogdoches, TX 75962	25,000
Texas College 2404 North Grand Avenue Tyler, Tx 75702	2,500
Tyler ISD Foundation 315 N Broadway, Suite 402 Tyler, TX 75702	2,000
Tyler Junior College Foundation P O Box 9020 Tyler, TX 75711-9020	1,000
University of Texas at Tyler Foundation P O Box 250 Austin, TX 78767-0250	2,000
Total Educational Activities	<u>\$ 36,000</u>

**CHURCH & RELIGIOUS ACTIVITIES**

Educational Radio Foundation East Texas 2721 E Erwin Street Tyler, TX 75708	\$ 10,000
First United Methodist Church of Troup 202 E Duval Street Troup, TX 75789	500
Flint Baptist Church 11131 FM 2868W Flint, TX 75762	2,500

**SCHEDULE #1  
R.W. FAIR FOUNDATION  
75-6015270  
CONTRIBUTIONS FOR THE YEAR 2014**

	<u>2014</u>
<b><u>CASH CONTRIBUTIONS - CONT'D</u></b>	
Hide-A-Way Lake Com Church 1500 Lake Park Circle Hideaway, TX 75771	\$ 1,000
Marvin United Methodist Church 300 W Erwin St Tyler, TX 75702	20,000
Saint Paul Children's Foundation, Inc P O Box 1238 Tyler, TX 75710	23,000
The Salvation Army 633 N Broadway Tyler, TX 75702	3,000
The Texas Conference of the United Methodist Church 5215 Main Street Houston, TX 77002	10,000
Young Men's Christian Association of Tyler 225 South Vine Ave Tyler, TX 75702	1,000
Total Church and Religious Activities	<u>\$ 71,000</u>
<b><u>CIVIC &amp; MISCELLANEOUS CONTRIBUTIONS</u></b>	
City of Tyler 212 North Bonner Avenue Tyler, TX 75702	\$ 1,000
Discovery Science Place 308 North Broadway Avenue Tyler, TX 75702-5711	1,000
Heart of Tyler, Inc 110 N College Tyler, TX 75702	6,000
Smith County Historical Society 125 South College Avenue Tyler, TX 75702	2,700
Sportyler 315 N Broadway Ave Tyler, TX 75702	5,500

**SCHEDULE #1  
R.W. FAIR FOUNDATION  
75-6015270  
CONTRIBUTIONS FOR THE YEAR 2014**

	<u>2014</u>
<b><u>CASH CONTRIBUTIONS - CONT'D</u></b>	
<b><u>CIVIC &amp; MISCELLANEOUS CONTRIBUTIONS - CONT'D</u></b>	
Tyler Area Business Education Council 315 N Broadway Ave Tyler, TX 75702	\$ 5,000
Tyler Economic Dev Council P O Box 2004 Tyler, TX 75710	15,000
Tyler Police Foundation 711 West Ferguson Tyler, TX 75702	500
Tyler Rose Museum 420 Rose Park Drive Tyler, TX 75702	1,000
Total Civic & Miscellaneous Contributions	<u>\$ 37,700</u>
TOTAL CASH CONTRIBUTIONS	<u><u>\$ 242,400</u></u>

None of the donees above are related by blood, marriage or employment to any disqualified person of this Foundation

**Portfolio Appraisal**

	Quantity	Average Cost	Current Price	Total Cost	Market Value	% of Total Portfolio	Est. Annual Income	Current Yield %
<b>Cash Equivalents</b>								
Schwab US Treasury				125,409.22	125,409.22	0.9	13	0.0
<b>Total Cash Equivalents</b>				<b>125,409.22</b>	<b>125,409.22</b>	<b>0.9</b>	<b>13</b>	<b>0.0</b>
<b>Equities</b>								
<b>CONSUMER DISCRETIONARY</b>								
HOME DEPOT INC	4,000	18.43	104.97	73,700.70	419,880.00	2.9	7,520	1.8
O REILLY AUTOMOTIVE INC	2,200	26.63	192.62	58,594.34	423,764.00	3.0	0	0.0
TIME WARNER INC	3,500	30.31	85.42	106,091.34	298,970.00	2.1	4,445	1.5
TRACTOR SUPPLY COMPANY	4,300	32.93	78.82	141,595.50	338,926.00	2.4	2,752	0.8
V F CORPORATION	2,500	61.67	74.90	154,180.00	187,250.00	1.3	3,200	1.7
WALT DISNEY COMPANY	4,300	41.25	94.19	177,381.56	405,017.00	2.8	4,945	1.2
WHIRLPOOL CORPORATION	1,100	159.98	193.74	175,976.70	213,114.00	1.5	3,300	1.5
<b>TOTAL CONSUMER DISCRETIONARY</b>				<b>887,520.14</b>	<b>2,286,921.00</b>	<b>15.9</b>	<b>26,162</b>	<b>1.1</b>
<b>CONSUMER STAPLES</b>								
COCA-COLA COMPANY	7,000	5.18	42.22	36,273.75	295,540.00	2.1	8,540	2.9
COLGATE-PALMOLIVE CO	5,000	3.79	69.19	18,945.31	345,950.00	2.4	7,200	2.1
KIMBERLY-CLARK CORPORATION	2,700	19.38	115.54	52,321.90	311,958.00	2.2	9,072	2.9
PROCTER & GAMBLE COMPANY	3,000	9.70	91.09	29,114.05	273,270.00	1.9	7,722	2.8
WALGREEN BOOTS ALLIANCE INC	5,000	58.11	76.20	290,556.40	381,000.00	2.7	6,750	1.8
<b>TOTAL CONSUMER STAPLES</b>				<b>427,211.41</b>	<b>1,607,718.00</b>	<b>11.2</b>	<b>39,284</b>	<b>2.4</b>
<b>ENERGY</b>								
CABOT OIL & GAS CORP	8,000	17.90	29.61	143,160.45	236,880.00	1.7	640	0.3
EOG RESOURCES INC	4,400	37.36	92.07	164,400.06	405,108.00	2.8	2,948	0.7
EXXON MOBIL CORPORATION	2,760	15.24	92.45	42,070.00	255,162.00	1.8	7,618	3.0
HALLIBURTON COMPANY	3,500	39.37	39.33	137,778.67	137,655.00	1.0	2,520	1.8
PIONEER NAT RES CO	700	192.16	148.85	134,512.48	104,195.00	0.7	56	0.1
RANGE RESOURCES CORP	1,200	67.16	53.45	80,590.15	64,140.00	0.4	192	0.3
SCHLUMBERGER LIMITED	2,500	18.15	85.41	45,386.73	213,525.00	1.5	4,000	1.9
<b>TOTAL ENERGY</b>				<b>747,898.54</b>	<b>1,416,665.00</b>	<b>9.9</b>	<b>17,974</b>	<b>1.3</b>
<b>FINANCIALS</b>								
AMERICAN EXPRESS COMPANY	3,500	61.80	93.04	216,311.92	325,640.00	2.3	3,640	1.1



**Portfolio Appraisal**

Equities	Quantity	Average Cost	Current Price	Total Cost	Market Value	% of Total Portfolio	Est. Annual Income	Current Yield %
<b>FINANCIALS</b>								
BANK OF AMERICA CORP	14,000	20.91	17.89	292,757.15	250,460.00	1.7	2,800	1.1
COMERICA INC	5,000	42.72	46.84	213,612.75	234,200.00	1.6	4,000	1.7
CULLEN FROST BANKERS INC	3,000	35.73	70.64	107,179.95	211,920.00	1.5	6,120	2.9
JP MORGAN & COMPANY INC	4,680	31.59	62.58	147,830.36	292,874.40	2.0	7,488	2.6
SUNTRUST BANKS INC	6,500	28.91	41.90	187,898.30	272,350.00	1.9	5,200	1.9
WELLS FARGO & COMPANY	7,000	34.03	54.82	238,199.57	383,740.00	2.7	9,800	2.6
<b>TOTAL FINANCIALS</b>				<b>1,403,790.00</b>	<b>1,971,184.40</b>	<b>13.7</b>	<b>39,048</b>	<b>2.0</b>
<b>HEALTH CARE</b>								
ABBVIE INC	6,000	35.02	65.44	210,090.31	392,640.00	2.7	11,760	3.0
CELGENE CORP	5,200	27.06	111.86	140,692.97	581,672.00	4.1	0	0.0
COVIDIEN PLC	3,000	35.89	102.28	107,662.59	306,840.00	2.1	4,320	1.4
MERCK & COMPANY INC	4,200	58.33	56.79	245,006.24	238,518.00	1.7	7,560	3.2
PFIZER INC	7,000	24.73	31.15	173,117.35	218,050.00	1.5	7,840	3.6
THERMO FISHER SCIENTIFIC	3,800	32.71	125.29	124,297.63	476,102.00	3.3	2,280	0.5
<b>TOTAL HEALTH CARE</b>				<b>1,000,867.09</b>	<b>2,213,822.00</b>	<b>15.4</b>	<b>33,760</b>	<b>1.5</b>
<b>INDUSTRIALS</b>								
DANAHER CORPORATION	5,700	37.18	85.71	211,903.23	488,547.00	3.4	2,280	0.5
EMERSON ELECTRIC COMPANY	3,000	45.53	61.73	136,575.52	185,190.00	1.3	5,640	3.0
GENERAL ELECTRIC COMPANY	11,000	10.70	25.27	117,681.81	277,970.00	1.9	10,120	3.6
KIRBY CORPORATION	800	106.31	80.74	85,044.55	64,592.00	0.5	0	0.0
PALL CORP	1,400	87.92	101.21	123,090.40	141,694.00	1.0	1,708	1.2
ROPER INDUSTRIES INC	1,800	77.16	156.35	138,891.19	281,430.00	2.0	1,800	0.6
UNION PACIFIC CORP	2,600	103.47	119.13	269,020.45	309,738.00	2.2	5,200	1.7
<b>TOTAL INDUSTRIALS</b>				<b>1,082,207.15</b>	<b>1,749,161.00</b>	<b>12.2</b>	<b>26,748</b>	<b>1.5</b>
<b>INFORMATION TECHNOLOGY</b>								
APPLE INC	5,250	12.31	110.38	64,640.96	579,495.00	4.0	9,870	1.7
EMC CORPORATION	8,000	9.10	29.74	72,830.00	237,920.00	1.7	3,680	1.5
GOOGLE INC	300	174.36	530.66	52,306.96	159,198.00	1.1	0	0.0
GOOGLE INC CL C	300	173.80	526.40	52,139.84	157,920.00	1.1	0	0.0

**Portfolio Appraisal**

Equities	Quantity	Average Cost	Current Price	Total Cost	Market Value	% of Total Portfolio	Est. Annual Income	Current Yield %
<b><u>INFORMATION TECHNOLOGY</u></b>								
INTL BUSINESS MACHINES	750	153.90	160.44	115,425.26	120,330.00	0.8	3,300	2.7
NATIONAL INSTRUMENTS CORP	7,450	16.67	31.09	124,193.52	231,620.50	1.6	4,470	1.9
ORACLE CORPORATION	4,500	4.05	44.97	18,218.75	202,365.00	1.4	2,160	1.1
TRIMBLE NAVIGATION LTD	6,300	29.17	26.54	183,792.26	167,202.00	1.2	0	0.0
<b>TOTAL INFORMATION TECHNOLOGY</b>				<b>683,547.55</b>	<b>1,856,050.50</b>	<b>12.9</b>	<b>23,480</b>	<b>1.3</b>
<b><u>MATERIALS</u></b>								
AIR PRODS & CHEMS INC	2,500	75.52	144.23	188,792.90	360,575.00	2.5	7,700	2.1
FMC CORPORATION	4,000	23.36	57.03	93,446.89	228,120.00	1.6	2,400	1.1
MARTIN MARIETTA MATERIALS	2,000	107.83	110.32	215,653.86	220,640.00	1.5	3,200	1.5
MONSANTO COMPANY	2,400	67.09	119.47	161,017.39	286,728.00	2.0	4,704	1.6
<b>TOTAL MATERIALS</b>				<b>658,911.04</b>	<b>1,096,063.00</b>	<b>7.6</b>	<b>18,004</b>	<b>1.6</b>
<b>Total Equities</b>				<b>6,891,952.92</b>	<b>14,197,584.90</b>	<b>99.0</b>	<b>224,460</b>	<b>1.6</b>
<b>TOTAL INVESTMENTS</b>				<b>\$7,017,362.14</b>	<b>\$14,322,994.12</b>	<b>99.9%</b>		
Accrued Interest					0.00	0.0		
Accrued Dividends					20,598.00	0.1		
<b>TOTAL PORTFOLIO</b>					<b>\$14,343,592.12</b>	<b>100.0%</b>		