EXTENDED TO NOVEMBER 16, 2015

Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

▶ Do not enter social security numbers on this form as it may be made public.

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

OMB No 1545-0052

2014

Open to Public Inspection

For calendar year 2014 or tax year beginning , and ending

Name of foundation: MCDANIEL CHARITABLE FOUNDATION

A Employer identification number: 76-0538313

Number and street (or P O box number if mail is not delivered to street address): P.O. BOX 2968

Room/suite:

B Telephone number: (409) 942-2940

City or town, state or province, country, and ZIP or foreign postal code: TEXAS CITY, TX 77592

C If exemption application is pending, check here ▶ ☐

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

D 1. Foreign organizations, check here ▶ ☐

2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

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

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

I Fair market value of all assets at end of year *(from Part II, col (c), line 16)* ▶$ 10,493,591.

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

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

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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))

		(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	3,580,000.		N/A	
	2 Check ▶ ☐ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	102.	102.		STATEMENT 1
	4 Dividends and interest from securities	213,233.	213,233.		STATEMENT 2
	5a Gross rents	21,811.	21,811.		STATEMENT 3
	b Net rental income or (loss) 21,811.				
	6a Net gain or (loss) from sale of assets not on line 10	-82,020.			
	b Gross sales price for all assets on line 6a 695,010.				
	7 Capital gain net income (from Part IV, line 2)		0.		
	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)				
	11 Other income	485,310.	485,301.		STATEMENT 4
	12 **Total** Add lines 1 through 11	4,218,436.	720,447.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	88,000.	22,000.		66,000.
	14 Other employee salaries and wages	87,403.	0.		87,403.
	15 Pension plans, employee benefits	73,751.	11,536.		62,214.
	16a Legal fees				
	b Accounting fees STMT 5	7,500.	3,750.		3,750.
	c Other professional fees				
	17 Interest				
	18 Taxes STMT 6	3,436.	0.		0.
	19 Depreciation and depletion	1,020.	0.		
	20 Occupancy	12,341.	3,085.		9,256.
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 7	21,073.	17,020.		4,054.
	24 **Total operating and administrative expenses** Add lines 13 through 23	294,524.	57,391.		232,677.
	25 Contributions, gifts, grants paid	140,010.			140,010.
	26 **Total expenses and disbursements.** Add lines 24 and 25	434,534.	57,391.		372,687.
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	3,783,902.			
	b **Net investment income** (if negative, enter -0-)		663,056.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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Part II Balance Sheets

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

			Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing	41,704.	269,218.	269,218.
	2	Savings and temporary cash investments	2,109,178.	1,792,087.	1,792,087.
	3	Accounts receivable ▶ 51,646.			
		Less allowance for doubtful accounts ▶	52,406.	51,646.	51,646.
	4	Pledges receivable ▶			
		Less allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons			
	7	Other notes and loans receivable ▶ 3,209,473.			
		Less allowance for doubtful accounts ▶ 0.	2,638,389.	3,209,473.	3,209,473.
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges	11,828.	3,538.	3,538.
	10a	Investments - U S and state government obligations STMT 10	592,615.	391,282.	391,282.
	b	Investments - corporate stock STMT 11	405,213.	360,787.	360,787.
	c	Investments - corporate bonds STMT 12	747,725.	0.	0.
	11	Investments - land, buildings, and equipment basis ▶			
		Less accumulated depreciation ▶			
	12	Investments - mortgage loans			
	13	Investments - other STMT 13	296,670.	4,411,285.	4,411,285.
	14	Land, buildings, and equipment basis ▶ 7,143.			
		Less accumulated depreciation STMT 9 ▶ 2,868.	5,295.	4,275.	4,275.
	15	Other assets (describe ▶)			
	16	Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)	6,901,023.	10,493,591.	10,493,591.
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable			
	22	Other liabilities (describe ▶)			
	23	Total liabilities (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances		Foundations that follow SFAS 117, check here ▶ [X] and complete lines 24 through 26 and lines 30 and 31.			
	24	Unrestricted	6,901,023.	10,493,591.	
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ [ ] 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	6,901,023.	10,493,591.	
	31	Total liabilities and net assets/fund balances	6,901,023.	10,493,591.	

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	6,901,023.
2	Enter amount from Part I, line 27a	2	3,783,902.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	10,684,925.
5	Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 8	5	191,334.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	10,493,591.

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				
b	SEE ATTACHED STATEMENT			
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				
b				
c				
d				
e	695,010.		777,030.	-82,020.

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				
b				
c				
d				
e				-82,020.

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	-82,020.
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) If (loss), enter -0- in Part I, line 8		3	N/A

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2013	560,242.	7,917,727.	.070758
2012	1,299,952.	8,198,419.	.158561
2011	932,150.	4,022,613.	.231727
2010	2,360,367.	4,214,540.	.560053
2009	1,366,613.	5,262,313.	.259698

2 Total of line 1, column (d)	2	1.280797
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	.256159
4 Enter the net value of noncharitable-use assets for 2014 from Part X, line 5	4	9,602,338.
5 Multiply line 4 by line 3	5	2,459,725.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	6,631.
7 Add lines 5 and 6	7	2,466,356.
8 Enter qualifying distributions from Part XII, line 4	8	372,687.

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)

1a Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ 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 ▶ ☐ and enter 1% of Part I, line 27b		1	13,261.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b).			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2	0.
3 Add lines 1 and 2		3	13,261.
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	13,261.
6 Credits/Payments			
a 2014 estimated tax payments and 2013 overpayment credited to 2014	6a 3,160.		
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	3,160.
8 Enter any **penalty** for underpayment of estimated tax Check here ☐ 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	10,101.
10 **Overpayment** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	
11 Enter the amount of line 10 to be **Credited to 2015 estimated tax** ▶	Refunded ▶	11	

Part VII-A Statements Regarding Activities

		Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)?	1b		X
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			
c Did the foundation file **Form 1120-POL** for this year?	1c		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? *If "Yes," attach a detailed description of the activities.*	2		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a	X	
b If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b	X	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		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?	6	X	
7 Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ TX			
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2014 or the taxable year beginning in 2014 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses STMT 14	10	X	

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
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?	13	X	

Website address ▶ HTTP://MCDANIELCHARITABLEFOUNDATION.ORG/

14 The books are in care of ▶ MARK A. LYONS Telephone no ▶ (409)942-2940

Located at ▶ PO BOX 2968, TEXAS CITY, TX ZIP+4 ▶ 77592

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

			Yes	No
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		X
	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 ▶			

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

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

1a During the year did the foundation (either directly or indirectly)

(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No

(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No

(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No

(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☒ Yes ☐ No

(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No

(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☒ No

			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)?	1b		X
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2014?	1c		X

2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))

a At the end of tax year 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014? ☐ Yes ☒ No

If "Yes," list the years ▶ ______, ______, ______, ______

			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) N/A	2b		

c If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here

▶ ______, ______, ______, ______

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

			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		X
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2014?	4b		X

Part 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 X

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? — 6b: No 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 — 7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation.

(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 STATEMENT 15		88,000.	39,645.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). 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
JULIE BARNETT - 3219 RIPPLING FALLS LANE, DICKINSON, TX 77539	SCHOLARSHIP COORDINATOR 40.00	51,875.	9,605.	0.

Total number of other employees paid over $50,000 ▶ 0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)*

3 Five highest-paid independent contractors for professional services. 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 ▶ 0

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 SEE ATTACHED STATEMENT	0.
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments See instructions 3	
Total. Add lines 1 through 3 ▶	0.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes.		
a	Average monthly fair market value of securities	1a	4,123,987.
b	Average of monthly cash balances	1b	2,363,466.
c	Fair market value of all other assets	1c	3,261,114.
d	Total (add lines 1a, b, and c)	1d	9,748,567.
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	9,748,567.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	146,229.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	9,602,338.
6	**Minimum investment return.** Enter 5% of line 5	6	480,117.

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	480,117.
2a	Tax on investment income for 2014 from Part VI, line 5 — 2a: 13,261.		
b	Income tax for 2014 (This does not include the tax from Part VI) — 2b: 150,097.		
c	Add lines 2a and 2b	2c	163,358.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	316,759.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	316,759.
6	Deduction from distributable amount (see instructions)	6	0.
7	**Distributable amount as adjusted** Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	316,759.

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	372,687.
b	Program-related investments - total from Part IX-B	1b	0.
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	372,687.
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	5	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	372,687.

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					316,759.
2 Undistributed income, if any, as of the end of 2014					
a Enter amount for 2013 only				0.	
b Total for prior years ____, ____, ____			0.		
3 Excess distributions carryover, if any, to 2014					
a From 2009	1,103,651.				
b From 2010	2,149,640.				
c From 2011	731,291.				
d From 2012	895,640.				
e From 2013	167,508.				
f **Total** of lines 3a through e		5,047,730.			
4 Qualifying distributions for 2014 from Part XII, line 4 ▶ $	372,687.				
a Applied to 2013, but not more than line 2a				0.	
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					316,759.
e Remaining amount distributed out of corpus		55,928.			
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		5,103,658.			
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 instr				0.	
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)		0.			
8 Excess distributions carryover from 2009 not applied on line 5 or line 7		1,103,651.			
9 **Excess distributions carryover to 2015.** Subtract lines 7 and 8 from line 6a		4,000,007.			
10 Analysis of line 9					
a Excess from 2010	2,149,640.				
b Excess from 2011	731,291.				
c Excess from 2012	895,640.				
d Excess from 2013	167,508.				
e Excess from 2014	55,928.				

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)

	Tax year	Prior 3 years			
	(a) 2014	(b) 2013	(c) 2012	(d) 2011	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon a "Assets" alternative test - enter (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year-see instructions.)

1 **Information Regarding Foundation Managers:**

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

NONE

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

NONE

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

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

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

SEE STATEMENT 16

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

c Any submission deadlines

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
SEE ATTACHED STATEMENT	NONE			140,010.
Total			▶ 3a	140,010.
b Approved for future payment				
NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income
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	102.	
4 Dividends and interest from securities			14	213,233.	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property			16	21,811.	
6 Net rental income or (loss) from personal property					
7 Other investment income	562000	453,729.	15	31,572.	
8 Gain or (loss) from sales of assets other than inventory			18	-82,020.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a PAYROLL CHECK ERRORS			01	9.	
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		453,729.		184,707.	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 638,436.

(See worksheet in line 13 instructions to verify calculations.)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes)

Part XVII **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations**

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

Mark Lyons | 11-10-15 | PRESIDENT

Signature of officer or trustee | Date | Title

May the IRS discuss this return with the preparer shown below (see instr)? ☒ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
HARRY D. MAXWELL, JR.	Harry D Maxwell Jr	11/9/15		P00627267

Firm's name ▶ HEAD,MAXWELL & MCKENNA, P.C. — Firm's EIN ▶ 76-0354302

Firm's address ▶ 2200 MARKET STREET, SUITE 401 GALVESTON, TX 77550 — Phone no (409) 763-6479

423622
11-24-14

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

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at *www.irs.gov/form990*

OMB No 1545-0047

2014

Name of the organization

MCDANIEL CHARITABLE FOUNDATION

Employer identification number

76-0538313

Organization type (check one):

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

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

Special Rules

☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling $5,000 or more during the year . ▶ $ ____________

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

Name of organization	Employer identification number
MCDANIEL CHARITABLE FOUNDATION	76-0538313

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	ESTATE OF JOHN W. LYONS, JR. 2831 PALMER HIGHWAY TEXAS CITY, TX 77590	$ 3,580,000.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II for noncash contributions.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)

Name of organization	Employer identification number
MCDANIEL CHARITABLE FOUNDATION	76-0538313

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	20% INTEREST IN TEXAS MOLECULAR LIMITED PARTNERSHIP	$ 3,580,000.	04/16/14

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

Name of organization	Employer identification number
MCDANIEL CHARITABLE FOUNDATION	76-0538313

Part III *Exclusively* religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than $1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of $1,000 or less for the year (Enter this info. once.) ▶ $

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

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	250,000 SYNOVUS CORP, 5.125%	P	04/29/13	01/02/14
b	15,000 U.S. TREAS NOTE, 4.75%	P	08/20/08	05/15/14
c	500,000 DEUTSCHE BANK NOTE	P	07/01/08	07/07/14
d	DORCHESTER MINERALS PTP-GAINS PASSED THRU	P		
e	PROSHARES NATURAL GAS PTP-GAINS PASSED THRU	P		
f	PROSHARES NATURAL GAS PTP-SEC 1256 STRADDLES	P		
g	PROSHARES NATURAL GAS PTP-SEC 1256 STRADDLES	P		
h				
i				
j				
k				
l				
m				
n				
o				

	(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	259,220.		261,126.	-1,906.
b	15,000.		15,904.	-904.
c	500,000.		500,000.	0.
d	267.			267.
e	12.			12.
f	-31,795.			-31,795.
g	-47,694.			-47,694.
h				
i				
j				
k				
l				
m				
n				
o				

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Losses (from col (h)) Gains (excess of col (h) gain over col (k), but not less than "-0-")
a				-1,906.
b				-904.
c				0.
d				267.
e				12.
f				-31,795.
g				-47,694.
h				
i				
j				
k				
l				
m				
n				
o				

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	-82,020.
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) If (loss), enter "-0-" in Part I, line 8	3	N/A

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
DBAB CASH RESERVE FUND	89.	89.	
DBAB CASH RESERVE FUND	6.	6.	
MAINLAND BANK SAVINGS ACCOUNT	2.	2.	
STERNE AGEE INSURED DEPOSIT PROGRAM	0.	0.	
TREASURY CASH TRUST	5.	5.	
TOTAL TO PART I, LINE 3	102.	102.	

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
DORCHESTER MINERALS LP PTP	6.	0.	6.	6.	
FHLM, 3%	127,315.	0.	127,315.	127,315.	
FULLER DMS OFFICE LTD PARTNERSHIP	3.	0.	3.	3.	
NOTE RECEIVABLE-JOSE FALCON	5,629.	0.	5,629.	5,629.	
NOTE RECEIVABLE-TWO RIVERS REALTY	72,111.	0.	72,111.	72,111.	
PROSHARES ULTRA DJ-UBS NATURAL GAS PTP	42.	0.	42.	42.	
SAN JUAN BASIN ROYALTY TRUST	33.	0.	33.	33.	
SILVER BAY REALTY TRUST	38.	0.	38.	38.	
TEXAS MOLECULAR LIMITED PARTNERSHIP	232.	0.	232.	232.	
TEXAS MOLECULAR LIMITED PARTNERSHIP	58.	0.	58.	58.	
TWO HARBORS INVESTMENT CORP	5,460.	0.	5,460.	5,460.	
U.S. TREASURY NOTES	2,306.	0.	2,306.	2,306.	
TO PART I, LINE 4	213,233.	0.	213,233.	213,233.	

FORM 990-PF RENTAL INCOME STATEMENT 3

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
INCOME PASSED THRU PSHIP	1	21,811.
TOTAL TO FORM 990-PF, PART I, LINE 5A		21,811.

FORM 990-PF OTHER INCOME STATEMENT 4

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
DORCHESTER MINERALS LP PTP	1,177.	1,177.	
SAN JUAN BASIN ROYALTY TRUST	30,395.	30,395.	
TEXAS MOLECULAR LIMITED PARTNERSHIP	362,983.	362,983.	
TEXAS MOLECULAR LIMITED PARTNERSHIP	90,746.	90,746.	
PAYROLL CHECK ERRORS	9.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	485,310.	485,301.	

FORM 990-PF ACCOUNTING FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	7,500.	3,750.		3,750.
TO FORM 990-PF, PG 1, LN 16B	7,500.	3,750.		3,750.

FORM 990-PF TAXES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
2013 FORM 990-PF EXCISE TAX	3,152.	0.		0.
PENALTY ON 2013 FORM 990-PF	284.	0.		0.
TO FORM 990-PF, PG 1, LN 18	3,436.	0.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT EXPENSES	15,793.	15,793.		0.
INSURANCE	4,266.	1,067.		3,200.
WEBSITE	310.	0.		310.
OFFICE SUPPLIES	339.	85.		254.
POSTAGE & SHIPPING	300.	75.		225.
CONFERENCE CALL FEE	59.	0.		59.
BANK CHARGES	6.	0.		6.
TO FORM 990-PF, PG 1, LN 23	21,073.	17,020.		4,054.

FORM 990-PF OTHER DECREASES IN NET ASSETS OR FUND BALANCES STATEMENT 8

DESCRIPTION	AMOUNT
CHANGE IN UNREALIZED LOSS IN VALUE OF INVESTMENTS	191,334.
TOTAL TO FORM 990-PF, PART III, LINE 5	191,334.

FORM 990-PF DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 9

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE	FAIR MARKET VALUE
EXECUTIVE DOUBLE PEDESTAL DESK	1,039.	420.	619.	619.
EXECUTIVE DOUBLE PEDESTAL DESK	1,038.	420.	618.	618.
STORAGE CREDENZA	988.	400.	588.	588.
STORAGE CREDENZA	988.	400.	588.	588.
CONFERENCE TABLE	877.	354.	523.	523.
HIGH BACK EXECUTIVE BLACK CHAIR	312.	127.	185.	185.
HIGH BACK EXECUTIVE BLACK CHAIR	312.	127.	185.	185.
(8) BLUE FABRIC CAPTAINS CHAIRS	961.	388.	573.	573.
USED 5-DRAWER LATERAL FILE CABINETS	314.	116.	198.	198.
USED 5-DRAWER LATERAL FILE CABINETS	314.	116.	198.	198.
TO 990-PF, PART II, LN 14	7,143.	2,868.	4,275.	4,275.

FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 10

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
DEUTSCHE BANK - U.S. TREASURY NOTES	X		47,052.	47,052.
STERNE AGEE - U.S. GOVT OBLIG	X		344,230.	344,230.
TOTAL U.S. GOVERNMENT OBLIGATIONS			391,282.	391,282.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			391,282.	391,282.

FORM 990-PF	CORPORATE STOCK	STATEMENT 11

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
STERNE AGEE - COMMON STOCKS	360,787.	360,787.
TOTAL TO FORM 990-PF, PART II, LINE 10B	360,787.	360,787.

FORM 990-PF	CORPORATE BONDS	STATEMENT 12

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
DEUTSCHE BANK - CORPORATE BONDS	0.	0.
STERNE AGEE - CORPORATE BONDS	0.	0.
TOTAL TO FORM 990-PF, PART II, LINE 10C	0.	0.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT 13

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
STERNE AGEE - MASTER LTD PSHIPS	FMV	143,148.	143,148.
FULLER DMS OFFICE LTD	FMV	254,828.	254,828.
TEXAS MOLECULAR LIMITED PARTNERSHIP	FMV	3,210,647.	3,210,647.
TEXAS MOLECULAR LIMITED PARTNERSHIP	FMV	802,662.	802,662.
TOTAL TO FORM 990-PF, PART II, LINE 13		4,411,285.	4,411,285.

FORM 990-PF | LIST OF SUBSTANTIAL CONTRIBUTORS PART VII-A, LINE 10 | STATEMENT 14

NAME OF CONTRIBUTOR	ADDRESS
ESTATE OF JOHN W. LYONS, JR.	2831 PALMER HIGHWAY TEXAS CITY, TX 77590

FORM 990-PF | PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS | STATEMENT 15

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
MARK A LYONS 2831 PALMER HIGHWAY, 2ND FLOOR TEXAS CITY, TX 77590	PRESIDENT 25.00	37,000.	12,997.	0.
MICHELLE LYONS-SPIER 2831 PALMER HIGHWAY, 2ND FLOOR TEXAS CITY, TX 77590	SECRETARY 20.00	12,000.	6,686.	0.
MELISSA LYONS-GARDNER 2831 PALMER HIGHWAY, 2ND FLOOR TEXAS CITY, TX 77590	TREASURER 20.00	12,000.	6,686.	0.
STEWART CAMPBELL 2831 PALMER HIGHWAY, 2ND FLOOR TEXAS CITY, TX 77590	DIRECTOR 1.00	12,000.	6,638.	0.
RANDALL HARRIS 2831 PALMER HIGHWAY, 2ND FLOOR TEXAS CITY, TX 77590	DIRECTOR 4.00	12,000.	6,638.	0.
ROBERT HARRIS 2831 PALMER HIGHWAY, 2ND FLOOR TEXAS CITY, TX 77590	DIRECTOR 1.00	3,000.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		88,000.	39,645.	0.

FORM 990-PF GRANT APPLICATION SUBMISSION INFORMATION STATEMENT 16
PART XV, LINES 2A THROUGH 2D

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

THE MCDANIEL CHARITABLE FOUNDATION
P O BOX 2968
TEXAS CITY, TX 77592-2968

TELEPHONE NUMBER	NAME OF GRANT PROGRAM
(409) 942-2940	GALVESTON COUNTY SCHOLARSHIP PROGRAM

FORM AND CONTENT OF APPLICATIONS

SEE ATTACHED APPLICATION

ANY SUBMISSION DEADLINES

JUNE 1ST

RESTRICTIONS AND LIMITATIONS ON AWARDS

BASED ON NEED & MERIT; MUST BE GALVESTON RESIDENT & ATTEND A TEXAS SCHOOL. ONLY RENEWAL APPLICATIONS ACCEPTED; THE FOUNDATION IS NOT ACCEPTING NEW SCHOLARSHIP APPLICATIONS FOR THIS PROGRAM.

MCDANIEL CHARITABLE FOUNDATION
2014 FORM 990-PF
PART XV, LINE 2b

THE McDANIEL CHARITABLE FOUNDATION
GALVESTON COUNTY SCHOLARSHIP PROGRAM
P.O. Box 2968
Texas City, TX 77592-2968

SCHOLARSHIP APPLICATION

This application MUST be received by the Foundation at the above address postmarked no later than June 1 prior to the school year made the subject of the application. Please read the Policies and Procedures for the Scholarship Program before completing this Application. (Please type or print in ink.)

Original Request ☐ Renewal ☐

PART I – APPLICANT DATA

Full Name of Applicant: ______________________________
(Last, First, Middle)
Permanent Address (street, city, zip): ______________________________
____
Years There: __________
Social Security Number: __________
Telephone Number: (   ) __________
Cell Phone Number: (   ) __________
Email Address: __________
Date of Birth: __________
Marital Status: __________
Spouse's Name: __________
Names and Ages of Dependents: ______________________________
____
____
Local Address while Attending School: ______________________________
Applicant's Place and Type of Employment while Attending School: __________
____
Applicant's Anticipated Monthly Gross Income from All Sources (including other scholarships) While Attending School: $__________. Please list all scholarships below.

Name of Scholarship Applied For	Type of Scholarship	If Received, Amount of Award

If married, Applicant's Total Monthly Gross Income: $________ (please attach a copy of your most recently filed IRS Form 1040, exclusive of attachments).

PART II – APPLICANT'S PARENT/GUARDIAN DATA

Full Name of First Parent or Guardian: ______________________________
(Last, First, Middle)
Permanent Address: ______________________________
Telephone Number: ____________________
Email Address: ____________________
Parent or Guardian's Place and Type of Employment: ______________________________
____

Parent or Guardian's Total Monthly Gross Income: $__________ (please attach a copy of your most recently filed IRS Form 1040, exclusive of attachments)

Names and Ages of Parent or Guardian's Children or Other Dependents: ____________________
____
____

Full Name of Second Parent or Guardian: ______________________________
(Last, First, Middle)
Permanent Address: ______________________________
Telephone Number: ____________________
Email Address: ____________________
Parent or Guardian's Place and Type of Employment: ______________________________
____

Parent or Guardian's Total Monthly Gross Income: $__________ (please attach a copy of your most recently filed IRS Form 1040, exclusive of attachments)

Names and Ages of Parent or Guardian's Children or Other Dependents: ____________________
____
____

PART III – SCHOOL DATA

School Currently Attending: ______________________________
School Planning to Attend: ______________________________
Expected Graduation Date: ____________________
Area of Study: ____________________
List of School Activities: ______________________________
List of School Honors: ______________________________

Please attach official or certified high school and college transcripts that include the Applicant's final grades, unless this is a renewal application. For renewals, attach an official or certified transcript from last semester.

PART IV – ADDITIONAL INFORMATION

Original applicants–Please attach an essay as to why you need/deserve this scholarship or for additional information. **Renewal Applicants**—Please attach an essay describing how the scholarship funds have benefited you, together with any special circumstances you would like the committee to consider.

PART V – CERTIFICATION

After reading and understanding the Policies and Procedures by which this scholarship is governed, we certify that all information given you for the purpose of obtaining this scholarship is true and complete to the best of our knowledge. We agree to provide verification of proper expenditure of any award as provided in the Policies and Procedures. We understand that you will retain this application whether or not it is approved.

____
Signature of Applicant

Date:____________________

____
Signature of Father/Guardian

Date:____________________

____
Signature of Mother/Guardian

Date:____________________

Reminder:

If this is an original application, you must submit two letters of recommendation with this application. There is no restriction on who may provide a recommendation, but letters from teachers and school counselors are encouraged.

Optional:

Please provide any suggestions as to how the Scholarship Program might improve the application process or its policies and procedures in general.

THE McDANIEL CHARITABLE FOUNDATION
GALVESTON COUNTY SCHOLARSHIP PROGRAM
P.O. Box 2968
Texas City, Texas 77592-2968

SCHOLARSHIP PROGRAM POLICIES AND PROCEDURES

The McDaniel Charitable Foundation (the "Foundation") is a Texas non-profit corporation established through the generosity of Moran K. McDaniel and Lola H. McDaniel of LaMarque, Galveston County, Texas. The Directors of the Foundation have established a scholarship program (the "Program") to benefit students from Galveston County in honor of Mr. and Mrs. McDaniel. This document summarizes the Program and the conditions upon which awards may be made to qualified applicants.

To be eligible for an award, an applicant must have lived in Galveston County at the time they graduated from a public or private high school in or after 1996. The applicant is not required to reside or maintain a permanent address in Galveston County at the time of application. The applicant must enroll full-time (defined for university students as 12 semester hours or more) at a public or private university, trade school or other educational organization as defined in Section 170(b)(1)(A)(ii) of the Internal Revenue Code. The school must be located in the State of Texas, and the applicant must maintain full-time enrollment, complete a minimum of 12 semester hours, and maintain a minimum 2.50 GPA at the school throughout the school year to which the award applies. Before the end of each semester, it is the student's responsibility to request that a transcript containing this information be prepared and mailed to the Foundation at the address listed above. If the Foundation does not receive the student's transcript within thirty days after the conclusion of the last school period to which the award applies, the student may forfeit any remaining scholarship funds and may not qualify for future awards. Awards must be applied toward tuition, fees, books, supplies, equipment and room and board for attendance at the school.

Applicants must submit a completed and signed application form along with two letters of recommendation and copies of high school transcripts and transcripts for previous college or trade school semesters, if any. Scholarships may be awarded to individual, eligible persons at the sole discretion of the Foundation, based upon demonstrated merit and need. Persons related by blood or marriage to any member of the Board of Directors of the Foundation or to any selection committee member appointed by the Board are not eligible for an award.

Annual applications and required documentation must be received by the Foundation at P. O. Box 2968, Texas City, Texas 77592-2968 postmarked no later than June 1 prior to the school year for which the award is requested in order to be considered. Applications will be considered during June of each year and the applicant will be notified of the decision by mail. All decisions of the Foundation concerning scholarship awards shall be final. Students who discontinue full-time enrollment at the school specified in the application during the school year 104760/3791.002 2 must notify the Foundation immediately, and may be required to refund all or a portion of the award. Please do not contact the Foundation concerning the status of an application unless you have received no correspondence from the Foundation by July 15 of the year in question.

The Foundation reserves the right to amend the policies and procedures for the Program from time to time, but such amendments shall not affect scholarship applications received or awards made before the amendment.

Applicants should consult with their individual tax advisors concerning whether all or part of an award is excludable from the taxable income of the recipient. Awards will normally be in the form of a check payable to the school, but recipients are required to produce receipts and verify in writing to the Foundation that awards were spent only for the purposes set forth in these policies. Such verification must be received by the Foundation not later than thirty days after the conclusion of the last school period to which the award applies. Students who fail to supply verification will be contacted and will not qualify for future awards.

MCDANIEL CHARITABLE FOUNDATION
2014 FORM 990-PF
EIN 76-0538313
PART IX-A SUMMARY OF DIRECT CHARITABLE ACTIVITIES

MCF 2014 Research Statement

Research funding activity by the McDaniel Charitable Foundation (MCF) in 2014 was restricted to a final payment to Texas A&M University in Galveston (TAMUG; $52,400), a mini-grant award to the New Orleans Audubon Society ($10,000), and in kind support for other regional fisheries research projects.

MCF completed the funding of the 3-yr award, "Occurrence and Abundance of billfishes in relation to ocean influences," in 2014. This project, conducted by Dr. Jay Rooker and his Pelagic Fisheries Conservation Lab in the Marine Biology Department at TAMUG, resulted in several advanced degrees, publications, undergraduate education experiences, and fisheries management implications. In 2014 MCF-funded Master's student Landes Randall successfully defended her thesis ("Habitat characteristics of bluntnose flyingfish *Prognichthys occidentalis* (Actinopterygii, Exocoetidae), across mesoscale features in the Gulf of Mexico") and current PhD student Larissa Podsim completed her MCF-funded project ("Habitat associations of dolphinfish larvae in the Gulf of Mexico") and was accepted into the direct PhD program. Maelle Cornic, a current PhD student, is continuing her MCF-funded dissertation work on the occurrence and abundance of larval tunas in the Gulf of Mexico. All three of these post-graduate research projects were fully funded by MCF and collections for the projects came from MCF-funded research cruises. Four undergraduate TAMUG students participated in sorting larvae for these projects in 2014. An extension was granted for the expenditure of these funds and a final report is expected in late 2015.

One mini-grant was funded during the current period to the New Orleans Audubon Society. The project, entitled "Conservation of the Swallow-tailed Kite: Tracking Global Movements and Identifying Threats" is a collaborative effort between the McDaniel Charitable Foundation, Orleans Audubon Society and Avian Research and Conservation Institute, and seeks to identify migration routes, stopover sites, wintering grounds, measure survival rates, determine causes of mortality, and elucidate threats to the population of swallow-tailed kites that nests along the Gulf Coast from Texas to Florida. Funding was allocated in 2014 with fieldwork to be conducted in 2015. Funds were allocated for the purchase, monitoring, and attachment of solar satellite tags to swallow-tailed kites from roost sites in TX, LA, and MS. To see the progress of this on-going study, visit the kite tracking site: http://www.seaturtle.org/tracking/?project_id=665

MCF contributed critical equipment to two ongoing fisheires tagging projects. Wildlife Computers' (WC) miniPAT pop-off satellite tags were donated to Dr. David Wells' Shark Ecology Lab at TAMUG. Several of the tags, which were replacements for WC equipment failures during the adult billfish tagging project, will be used as part of PhD student Tom Tinhan's dissertation work on the movements and stock structure of bull sharks along the NW Gulf Coast. One of the tags was successfully attached to a surf-caught bull shark during 2014 and other deployments are planned for 2015 and 2016. Also, surface position only tags (SPOT) were used as part of a large, collaborative scalloped hammerhead tagging project led by the Louisiana Department of Wildlife and Fisheries (LDWF) and included partners like TAMUG and NOAA. Almost 50 hammerheads have been tagged in the northern Gulf to date as part of this collaborative effort to define critical habitat for this overfished species, included three SPOT tags from MCF in 2014. Results from the hammerhead tagging project will be available in late 2016.

Relevant 2014 Publications

Randall LL, Smith BL, Cowan JH, Rooker JR (2015) Habitat characteristics of bluntnose flyingfish *Prognichthys occidentalis* (Actinopterygii, Exocoetidae), across mesoscale features in the Gulf of Mexico. *Hydrobiologia* 749(1):97-111 [PDF]

Kitchens LL and Rooker JR (2014) Habitat associations of dolphinfish larvae in the Gulf of Mexico. *Fisheries Oceanography* 23(6):460-471 [PDF]

Hoolihan JP, RJD Wells, J Luo, B Falterman, E D Prince, JR Rooker (2014) Vertical and Horizontal Movements of Yellowfin Tuna in the Gulf of Mexico. *Marine and Coastal Fisheries: Dynamics, Management, and Ecosystem Science* 6(1):211-222 [PDF]

MCDANIEL CHARITABLE FOUNDATION
2014 FORM 990-PF
EIN 76-0538313
PART XV, LINE 3 GRANTS PAID DURING THE YEAR

RECIPIENT NAME	RECIPIENT ADDRESS	RELATIONSHIP	FOUNDATION STATUS	PURPOSE	AMOUNT
Douglas, Jake	P.O. Box 30016 College Station, TX 77842-3016	None	n/a	Scholarship	2,000 00
Kelley, Alanna	900 College St. UMHB Station Box 8080 Belton, TX 76513	None	n/a	Scholarship	2,000.00
Kern, Kyle	P O. Box 30016 College Station, TX 77842-3016	None	n/a	Scholarship	5,000 00
Kramer, Christina	SFA Box 13052 Nacogdoches, TX 75962	None	n/a	Scholarship	6,000 00
Richardson, Christopher	P.O. Box 2273 Huntsville, TX 77341	None	n/a	Scholarship	4,000.00
Vasquez, Beni	1200 Amburn Rd, Texas City, TX 77591	None	n/a	Scholarship	2,400 00
Windish, Ethan	9E Cullen Bldg Rm 31 Houston, TX 77204-2010	None	n/a	Scholarship	2,000.00
Diocese of the West	P O Box 1233, Silver City, NM 88062	None	509(a)(1)	Restoration	10,000 00
First United Methodist Church	212 W. Benton Ave., Devine, TX 78016	None	509(a)(1)	Scholarships	7,000.00
First United Methodist Church	200 FM 517, Dickinson, TX 77539	None	509(a)(1)	General Support	5,000 00
Forever Faithful Ministries	13955 Lake Mt. Pleasant Rd, Montgomery, TX 77356	None	509(a)(1)	Equine Therapy	5,000.00
Orleans Audubon Society	801 Rue Dauphine, Ste 304, Metaire, LA 70005-4610	None	509(a)(1)	Conservation	10,000 00
St. Michael Catholic School	1833 Sage Rd, Houston, TX 77056	None	509(a)(1)	Education	5,000.00
Turning Point	P O Box 2118, Galveston, TX 77553	None	509 (a)(1)	Handicap Therapy	1,500.00
Texas A&M Galveston	P.O. Box 1675, Galveston, TX 77553	None	Gov't	Pelagic Fisheries Prog.	52,400.00
Texas A&M College Station (from Texas Molecular K-1)	401 Joe Routt Blvd, College Station, TX 77843	None	Gov't		20,710.00
					140,010.00

2014 DEPRECIATION AND AMORTIZATION REPORT

FORM 990-PF PAGE 1 990-PF

Asset No	Description	Date Acquired	Method	Life	Conv	Line No	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	* Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
	FURNITURE & FIXTURES														
8	EXECUTIVE DOUBLE PEDESTAL DESK	03/14/12	SL	7.00		16	1,039.				1,039.	272.		148.	420.
9	EXECUTIVE DOUBLE PEDESTAL DESK	03/14/12	SL	7.00		16	1,038.				1,038.	272.		148.	420.
10	STORAGE CREDENZA	03/14/12	SL	7.00		16	988.				988.	259.		141.	400.
11	STORAGE CREDENZA	03/14/12	SL	7.00		16	988.				988.	259.		141.	400.
12	CONFERENCE TABLE	03/14/12	SL	7.00		16	877.				877.	229.		125.	354.
13	HIGH BACK EXECUTIVE BLACK CHAIR	03/14/12	SL	7.00		16	312.				312.	82.		45.	127.
14	HIGH BACK EXECUTIVE BLACK CHAIR	03/14/12	SL	7.00		16	312.				312.	82.		45.	127.
15	(8) BLUE FABRIC CAPTAINS CHAIRS	03/14/12	SL	7.00		16	961.				961.	251.		137.	388.
16	USED 5-DRAWER LATERAL FILE CABINETS	05/24/12	SL	7.00		16	314.				314.	71.		45.	116.
17	USED 5-DRAWER LATERAL FILE CABINETS	05/24/12	SL	7.00		16	314.				314.	71.		45.	116.
	* 990-PF PG 1 TOTAL FURNITURE & FIXTURES						7,143.				7,143.	1,848.		1,020.	2,868.
	* GRAND TOTAL 990-PF PG 1 DEPR						7,143.				7,143.	1,848.		1,020.	2,868.

(D) - Asset disposed

* ITC, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone