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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](http://www.irs.gov/form990pf).

OMB No 1545-0052

2014

Open to Public Inspection

For calendar year 2014 or tax year beginning NOV 1, 2014, and ending OCT 31, 2015

|                                                                                                                                                                                                                                                                                                                |                                                                                                                                                 |                                                                                                                                                                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of foundation<br><b>Effie and Wofford Cain Foundation</b>                                                                                                                                                                                                                                                 |                                                                                                                                                 | A Employer identification number<br><b>75-6030774</b>                                                                                                                        |
| Number and street (or P.O. box number if mail is not delivered to street address)<br><b>4131 Spicewood Springs Road</b>                                                                                                                                                                                        | Room/suite<br><b>A-1</b>                                                                                                                        | B Telephone number<br><b>512-346-7490</b>                                                                                                                                    |
| City or town, state or province, country, and ZIP or foreign postal code<br><b>Austin, TX 78759</b>                                                                                                                                                                                                            |                                                                                                                                                 | C If exemption application is pending, check here <input type="checkbox"/>                                                                                                   |
| G Check all that apply<br><input type="checkbox"/> Initial return<br><input type="checkbox"/> Final return<br><input type="checkbox"/> Address change<br><input type="checkbox"/> Initial return of a former public charity<br><input type="checkbox"/> Amended return<br><input type="checkbox"/> Name change |                                                                                                                                                 | D 1. Foreign organizations, check here <input type="checkbox"/><br>2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> |
| H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation<br><input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation                                                               |                                                                                                                                                 | E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>                                                                |
| I Fair market value of all assets at end of year (from Part II, col (c), line 16)<br><b>\$ 121282438.</b>                                                                                                                                                                                                      | J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual<br><input type="checkbox"/> Other (specify) _____ | F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>                                                             |

| Part I Analysis of Revenue and Expenses<br>(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) |
|----------------------------------------------------------------------------------------------------------------------------------------------------|--|------------------------------------|---------------------------|-------------------------|-------------------------------------------------------------|
| 1 Contributions, gifts, grants, etc., received                                                                                                     |  |                                    |                           | N/A                     |                                                             |
| 2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B                                                     |  |                                    |                           |                         |                                                             |
| 3 Interest on savings and temporary cash investments                                                                                               |  | 2376.                              | 2376.                     |                         |                                                             |
| 4 Dividends and interest from securities                                                                                                           |  | 2161451.                           | 1844852.                  |                         |                                                             |
| 5a Gross rents                                                                                                                                     |  | 92972.                             | 92972.                    |                         |                                                             |
| b Net rental income or (loss) <b>81440.</b>                                                                                                        |  |                                    |                           |                         |                                                             |
| 6a Net gain or (loss) from sale of assets not on line 10                                                                                           |  | 2857076.                           |                           |                         |                                                             |
| b Gross sales price for all assets on line 6a <b>29717760.</b>                                                                                     |  |                                    |                           |                         |                                                             |
| 7 Capital gain net income (from Part IV, line 2)                                                                                                   |  |                                    | 3609589.                  |                         |                                                             |
| 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 Stmt 1                                                                                                                             |  | 190425.                            | 190425.                   |                         |                                                             |
| 12 Total. Add lines 1 through 11                                                                                                                   |  | 5304300.                           | 5740214.                  |                         |                                                             |
| 13 Compensation of officers, directors, trustees, etc                                                                                              |  | 401235.                            | 23837.                    |                         | 377398.                                                     |
| 14 Other employee salaries and wages                                                                                                               |  |                                    |                           |                         |                                                             |
| 15 Pension plans, employee benefits                                                                                                                |  | 170882.                            | 9510.                     |                         | 161371.                                                     |
| 16a Legal fees Stmt 2                                                                                                                              |  | 13097.                             | 704.                      |                         | 12393.                                                      |
| b Accounting fees                                                                                                                                  |  |                                    |                           |                         |                                                             |
| c Other professional fees Stmt 3                                                                                                                   |  | 348681.                            | 342429.                   |                         | 6252.                                                       |
| 17 Interest                                                                                                                                        |  |                                    |                           |                         |                                                             |
| 18 Taxes Stmt 4                                                                                                                                    |  | 153370.                            | 60372.                    |                         | 24749.                                                      |
| 19 Depreciation and depletion Stmt 5                                                                                                               |  | 5037.                              | 409.                      |                         |                                                             |
| 20 Occupational taxes                                                                                                                              |  | 31072.                             | 2081.                     |                         | 28991.                                                      |
| 21 Travel, conferences, and meetings                                                                                                               |  | 108570.                            | 41497.                    |                         | 66225.                                                      |
| 22 Printing and publications                                                                                                                       |  | 1931.                              | 1015.                     |                         | 915.                                                        |
| 23 Other expenses Stmt 6                                                                                                                           |  | 25448.                             | 18597.                    |                         | 23274.                                                      |
| 24 Total operating and administrative expenses. Add lines 13 through 23                                                                            |  | 1259323.                           | 500451.                   |                         | 701568.                                                     |
| 25 Contributions, gifts, grants paid Stmt 7A                                                                                                       |  | 5485000.                           |                           |                         | 5485000.                                                    |
| 26 Total expenses and disbursements. Add lines 24 and 25                                                                                           |  | 6744323.                           | 500451.                   |                         | 6186568.                                                    |
| 27 Subtract line 26 from line 12                                                                                                                   |  | -1440023.                          |                           |                         |                                                             |
| a Excess of revenue over expenses and disbursements                                                                                                |  |                                    |                           |                         |                                                             |
| b Net investment income (if negative, enter -0-)                                                                                                   |  |                                    | 5239763.                  |                         |                                                             |
| c Adjusted net income (if negative, enter -0-)                                                                                                     |  |                                    |                           | N/A                     |                                                             |

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LHA For Paperwork Reduction Act Notice, see instructions.

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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                                                                        |         |                   |                |                       |
|                             | 2   | Savings and temporary cash investments                                                             |         | 5638542.          | 11254961.      | 11254961.             |
|                             | 3   | Accounts receivable                                                                                |         |                   |                |                       |
|                             |     | Less: allowance for doubtful accounts                                                              |         |                   |                |                       |
|                             | 4   | Pledges receivable                                                                                 |         |                   |                |                       |
|                             |     | Less: allowance for doubtful accounts                                                              |         |                   |                |                       |
|                             | 5   | Grants receivable                                                                                  |         |                   |                |                       |
|                             | 6   | Receivables due from officers, directors, trustees, and other disqualified persons                 |         |                   |                |                       |
|                             | 7   | Other notes and loans receivable                                                                   |         |                   |                |                       |
|                             |     | Less: allowance for doubtful accounts                                                              |         |                   |                |                       |
|                             | 8   | Inventories for sale or use                                                                        |         |                   |                |                       |
|                             | 9   | Prepaid expenses and deferred charges                                                              |         |                   |                |                       |
|                             | 10a | Investments - U.S. and state government obligations Stmt 8                                         |         | 1096107.          | 0.             | 0.                    |
|                             | b   | Investments - corporate stock Stmt 9                                                               |         | 75363207.         | 79196778.      | 99206598.             |
|                             | c   | Investments - corporate bonds Stmt 10                                                              |         | 17662085.         | 7873216.       | 9381111.              |
| Liabilities                 | 11  | Investments - land, buildings, and equipment: basis                                                | 391388. |                   |                |                       |
|                             |     | Less: accumulated depreciation Stmt 11                                                             |         | 391388.           | 391388.        | 375145.               |
|                             | 12  | Investments - mortgage loans                                                                       |         |                   |                |                       |
|                             | 13  | Investments - other Stmt 12                                                                        |         | 327185.           | 327185.        | 735544.               |
|                             | 14  | Land, buildings, and equipment: basis                                                              | 254536. |                   |                |                       |
|                             |     | Less: accumulated depreciation Stmt 13                                                             | 183552. | 76020.            | 70984.         | 329079.               |
|                             | 15  | Other assets (describe)                                                                            |         |                   |                |                       |
|                             | 16  | Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)      |         | 100554534.        | 99114512.      | 121282438.            |
|                             | 17  | Accounts payable and accrued expenses                                                              |         |                   |                |                       |
|                             | 18  | Grants payable Stmt 7B                                                                             |         | 5679000.          | 2475000.       |                       |
|                             | 19  | Deferred revenue                                                                                   |         |                   |                |                       |
|                             | 20  | Loans from officers, directors, trustees, and other disqualified persons                           |         |                   |                |                       |
|                             | 21  | Mortgages and other notes payable                                                                  |         |                   |                |                       |
|                             | 22  | Other liabilities (describe)                                                                       |         |                   |                |                       |
| Net Assets or Fund Balances | 23  | Total liabilities (add lines 17 through 22)                                                        |         | 5679000.          | 2475000.       |                       |
|                             |     | Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. |         |                   |                |                       |
|                             | 24  | Unrestricted                                                                                       |         |                   |                |                       |
|                             | 25  | Temporarily restricted                                                                             |         |                   |                |                       |
|                             | 26  | Permanently restricted                                                                             |         |                   |                |                       |
|                             |     | Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.              |         |                   |                |                       |
|                             | 27  | Capital stock, trust principal, or current funds                                                   |         | 0.                | 0.             |                       |
|                             | 28  | Paid-in or capital surplus, or land, bldg., and equipment fund                                     |         | 57565853.         | 57565853.      |                       |
|                             | 29  | Retained earnings, accumulated income, endowment, or other funds                                   |         | 37309681.         | 39073659.      |                       |
|                             | 30  | Total net assets or fund balances                                                                  |         | 94875534.         | 96639512.      |                       |
|                             | 31  | Total liabilities and net assets/fund balances                                                     |         | 100554534.        | 99114512.      |                       |

## 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<br>(must agree with end-of-year figure reported on prior year's return) | 1 | 94875534. |
| 2 | Enter amount from Part I, line 27a                                                                                                                            | 2 | -1440023. |
| 3 | Other increases not included in line 2 (itemize) <b>Decrease in grants payable; rounding</b>                                                                  | 3 | 3204001.  |
| 4 | Add lines 1, 2, and 3                                                                                                                                         | 4 | 96639512. |
| 5 | Decreases not included in line 2 (itemize)                                                                                                                    | 5 | 0.        |
| 6 | Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30                                                         | 6 | 96639512. |

**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<br>P - Purchase<br>D - Donation                                                                                                                                                                                                                                                                     | (c) Date acquired<br>(mo, day, yr)                                                           | (d) Date sold<br>(mo, day, yr) |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|--------------------------------|
| 1a Stmt. 14                                                                                                                       |                                            | P                                                                                                                                                                                                                                                                                                                    |                                                                                              |                                |
| b                                                                                                                                 |                                            |                                                                                                                                                                                                                                                                                                                      |                                                                                              |                                |
| c                                                                                                                                 |                                            |                                                                                                                                                                                                                                                                                                                      |                                                                                              |                                |
| d                                                                                                                                 |                                            |                                                                                                                                                                                                                                                                                                                      |                                                                                              |                                |
| e                                                                                                                                 |                                            |                                                                                                                                                                                                                                                                                                                      |                                                                                              |                                |
| (e) Gross sales price                                                                                                             | (f) Depreciation allowed<br>(or allowable) | (g) Cost or other basis<br>plus expense of sale                                                                                                                                                                                                                                                                      | (h) Gain or (loss)<br>(e) plus (f) minus (g)                                                 |                                |
| a 29717760.                                                                                                                       |                                            | 26108171.                                                                                                                                                                                                                                                                                                            | 3609589.                                                                                     |                                |
| 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<br>col (k), but not less than -0-) or<br>Losses (from col (h)) |                                |
| (i) FMV as of 12/31/69                                                                                                            | (j) Adjusted basis<br>as of 12/31/69       | (k) Excess of col (i)<br>over col (j), if any                                                                                                                                                                                                                                                                        |                                                                                              |                                |
| a                                                                                                                                 |                                            |                                                                                                                                                                                                                                                                                                                      | 3609589.                                                                                     |                                |
| b                                                                                                                                 |                                            |                                                                                                                                                                                                                                                                                                                      |                                                                                              |                                |
| c                                                                                                                                 |                                            |                                                                                                                                                                                                                                                                                                                      |                                                                                              |                                |
| d                                                                                                                                 |                                            |                                                                                                                                                                                                                                                                                                                      |                                                                                              |                                |
| e                                                                                                                                 |                                            |                                                                                                                                                                                                                                                                                                                      |                                                                                              |                                |
| 2 Capital gain net income or (net capital loss)                                                                                   |                                            | <div style="display: flex; align-items: center;"> <div style="border-left: 1px solid black; padding-left: 5px;">           If gain, also enter in Part I, line 7<br/>           If (loss), enter -0- in Part I, line 7         </div> <div style="margin-left: 10px;">           2         </div> </div>             |                                                                                              | 3609589.                       |
| 3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)                                                    |                                            | <div style="display: flex; align-items: center;"> <div style="border-left: 1px solid black; padding-left: 5px;">           If gain, also enter in Part I, line 8, column (c)<br/>           If (loss), enter -0- in Part I, line 8         </div> <div style="margin-left: 10px;">           3         </div> </div> |                                                                                              | 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)<br>Base period years<br>Calendar year (or tax year beginning in)                                                                                                           | (b)<br>Adjusted qualifying distributions | (c)<br>Net value of noncharitable-use assets | (d)<br>Distribution ratio<br>(col (b) divided by col (c)) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------------------|-----------------------------------------------------------|
| 2013                                                                                                                                                                           | 5653354.                                 | 125711236.                                   | .044971                                                   |
| 2012                                                                                                                                                                           | 5393355.                                 | 117267439.                                   | .045992                                                   |
| 2011                                                                                                                                                                           | 5472142.                                 | 110519663.                                   | .049513                                                   |
| 2010                                                                                                                                                                           | 4454695.                                 | 111899814.                                   | .039810                                                   |
| 2009                                                                                                                                                                           | 5278311.                                 | 103679750.                                   | .050910                                                   |
| 2 Total of line 1, column (d)                                                                                                                                                  |                                          |                                              | .231196                                                   |
| 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 |                                          |                                              | .046239                                                   |
| 4 Enter the net value of noncharitable-use assets for 2014 from Part X, line 5                                                                                                 |                                          |                                              | 121813804.                                                |
| 5 Multiply line 4 by line 3                                                                                                                                                    |                                          |                                              | 5632548.                                                  |
| 6 Enter 1% of net investment income (1% of Part I, line 27b)                                                                                                                   |                                          |                                              | 52398.                                                    |
| 7 Add lines 5 and 6                                                                                                                                                            |                                          |                                              | 5684946.                                                  |
| 8 Enter qualifying distributions from Part XII, line 4                                                                                                                         |                                          |                                              | 6186568.                                                  |

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 <input type="checkbox"/> and enter "N/A" on line 1<br>Date of ruling or determination letter _____ (attach copy of letter if necessary-see instructions) |    | 1       | 52398. |
| b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b                                                                         |    |         |        |
| 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       | 52398. |
| 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       | 52398. |
| 6 Credits/Payments:                                                                                                                                                                                                                  |    |         |        |
| a 2014 estimated tax payments and 2013 overpayment credited to 2014                                                                                                                                                                  | 6a | 140396. |        |
| 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  | 140396. |        |
| 8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached                                                                                                       | 8  |         |        |
| 9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed                                                                                                                                                      | 9  |         |        |
| 10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid                                                                                                                                         | 10 | 87998.  |        |
| 11 Enter the amount of line 10 to be credited to 2015 estimated tax                                                                                                                                                                  | 11 | 0.      |        |

**Part VII-A Statements Regarding Activities**

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

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

|                            |                                                                                                                                                                                                                                                                                                                                                                 |    |     |    |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|-----|----|
| 11                         | At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)                                                                                                                                                                         | 11 |     | X  |
| 12                         | Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)                                                                                                                                                                        | 12 |     | X  |
| 13                         | Did the foundation comply with the public inspection requirements for its annual returns and exemption application?                                                                                                                                                                                                                                             | 13 | X   |    |
| Website address <b>N/A</b> |                                                                                                                                                                                                                                                                                                                                                                 |    |     |    |
| 14                         | The books are in care of <b>Effie and Wofford Cain Foundation</b> Telephone no <b>512-346-7490</b><br>Located at <b>4131 Spicewood Springs Road, #A-1, Austin, TX</b> ZIP+4 <b>78759</b>                                                                                                                                                                        |    |     |    |
| 15                         | Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <input type="checkbox"/><br>and enter the amount of tax-exempt interest received or accrued during the year <b>15</b> <b>N/A</b>                                                                                                                            |    |     |    |
| 16                         | At any time during calendar year 2014, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?<br>See the instructions for exceptions and filing requirements for FinCEN Form 114, (formerly TD F 90-221) If "Yes," enter the name of the foreign country <b>N/A</b> | 16 | Yes | No |
|                            |                                                                                                                                                                                                                                                                                                                                                                 |    |     | X  |

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

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

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Yes | No |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| 1a | During the year did the foundation (either directly or indirectly)                                                                                                                                                                                                                                                                                                                                                                                                                                         |     |    |
|    | (1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                                                                                                                                                                                                                                                                                                                                 |     |    |
|    | (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                                                                                                                                                                                                                                                                                                         |     |    |
|    | (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                                                                                                                                                                                                                                                                                                                             |     |    |
|    | (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                                                                                                                                                                                                   |     |    |
|    | (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                                                                                                                                                                                                                                                                          |     |    |
|    | (6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                                                                                                                                                                         |     |    |
| b  | If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>                                                                                                                                                                           | 1b  | X  |
| c  | Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2014?                                                                                                                                                                                                                                                                                                                    | 1c  | X  |
| 2  | Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))                                                                                                                                                                                                                                                                                                                              |     |    |
| a  | At the end of tax year 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br>If "Yes," list the years <b>N/A</b>                                                                                                                                                                                                                                               | 2a  |    |
| 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.) <b>N/A</b>                                                                                                                                                                                       | 2b  |    |
| c  | If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <b>N/A</b>                                                                                                                                                                                                                                                                                                                                                                                 |     |    |
| 3a | Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                                                                                                                                                                                                                                                                                             |     |    |
| b  | If "Yes," did it have excess business holdings in 2014 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2014.) <b>N/A</b> | 3b  |    |
| 4a | Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?                                                                                                                                                                                                                                                                                                                                                                                            | 4a  | X  |
| b  | Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2014?                                                                                                                                                                                                                                                                          | 4b  | X  |

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## 5a During the year did the foundation pay or incur any amount to

- [illegible]

N/A

▶ ☐

N/A

☐ Yes ☐ No☐ Yes ☒ No

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

☐ Yes ☒ No

N/A

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

**2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."**

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

C

**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 |
|---------------------------------------------------------------------------------|---------------------|------------------|
| Smith Asset Management<br>100 Crescent Ct, Suite 850, Dallas, TX 75201          | Inv. Management     | 125540.          |
| Clearbrook Investment Consulting<br>10 High Street, Suite 630, Boston, MA 02110 | Inv. Consulting     | 81760.           |
| JPMorgan Chase Bank, N.A. - 707 Travis<br>Street, Floor 11, Houston, TX 77002   | Inv. Mgmt/Custodial | 53927.           |
|                                                                                 |                     |                  |
|                                                                                 |                     |                  |
|                                                                                 |                     |                  |

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<br>NONE                                                                                                                                                                                                                                             |          |
| 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<br>NONE                                                                                                        |        |
| 2                                                                                                                |        |
| All other program-related investments See instructions                                                           |        |
| 3                                                                                                                |        |
| <b>Total.</b> 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 | 115441806. |
| b                                                                                                             | Average of monthly cash balances                                                                          | 1b | 7087347.   |
| c                                                                                                             | Fair market value of all other assets                                                                     | 1c | 1139684.   |
| d                                                                                                             | Total (add lines 1a, b, and c)                                                                            | 1d | 123668837. |
| 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  | 123668837. |
| 4                                                                                                             | Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions) | 4  | 1855033.   |
| 5                                                                                                             | Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4      | 5  | 121813804. |
| 6                                                                                                             | Minimum investment return. Enter 5% of line 5                                                             | 6  | 6090690.   |

**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  | 6090690. |
| 2a | Tax on investment income for 2014 from Part VI, line 5                                             | 2a | 52398.   |
| b  | Income tax for 2014 (This does not include the tax from Part VI)                                   | 2b |          |
| c  | Add lines 2a and 2b                                                                                | 2c | 52398.   |
| 3  | Distributable amount before adjustments. Subtract line 2c from line 1                              | 3  | 6038292. |
| 4  | Recoveries of amounts treated as qualifying distributions                                          | 4  | 0.       |
| 5  | Add lines 3 and 4                                                                                  | 5  | 6038292. |
| 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  | 6038292. |

**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 | 6186568. |
| 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  | 6186568. |
| 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  | 52398.   |
| 6                                                                                           | Adjusted qualifying distributions. Subtract line 5 from line 4                                                                    | 6  | 6134170. |

**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.

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**Part XIII** Undistributed Income (see instructions)

|                                                                                                                                                                                   | (a)<br>Corpus | (b)<br>Years prior to 2013 | (c)<br>2013 | (d)<br>2014 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------------------|-------------|-------------|
| <b>1</b> Distributable amount for 2014 from Part XI, line 7                                                                                                                       |               |                            |             | 6038292.    |
| <b>2</b> Undistributed income, if any, as of the end of 2014                                                                                                                      |               |                            |             |             |
| <b>a</b> Enter amount for 2013 only                                                                                                                                               |               |                            | 6080553.    |             |
| <b>b</b> Total for prior years                                                                                                                                                    |               | 0.                         |             |             |
| <b>3</b> Excess distributions carryover, if any, to 2014                                                                                                                          |               |                            |             |             |
| <b>a</b> From 2009                                                                                                                                                                |               |                            |             |             |
| <b>b</b> From 2010                                                                                                                                                                |               |                            |             |             |
| <b>c</b> From 2011                                                                                                                                                                |               |                            |             |             |
| <b>d</b> From 2012                                                                                                                                                                |               |                            |             |             |
| <b>e</b> From 2013                                                                                                                                                                |               |                            |             |             |
| <b>f</b> Total of lines 3a through e                                                                                                                                              | 0.            |                            |             |             |
| <b>4</b> Qualifying distributions for 2014 from Part XII, line 4 ▶ \$ 6186568.                                                                                                    |               |                            |             |             |
| <b>a</b> Applied to 2013, but not more than line 2a                                                                                                                               |               |                            | 6080553.    |             |
| <b>b</b> Applied to undistributed income of prior years (Election required - see instructions)                                                                                    |               | 0.                         |             |             |
| <b>c</b> Treated as distributions out of corpus (Election required - see instructions)                                                                                            | 0.            |                            |             |             |
| <b>d</b> Applied to 2014 distributable amount                                                                                                                                     |               |                            |             | 106015.     |
| <b>e</b> Remaining amount distributed out of corpus                                                                                                                               | 0.            |                            |             |             |
| <b>5</b> Excess distributions carryover applied to 2014 (If an amount appears in column (d), the same amount must be shown in column (a))                                         | 0.            |                            |             | 0.          |
| <b>6</b> Enter the net total of each column as indicated below:                                                                                                                   |               |                            |             |             |
| <b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5                                                                                                                          | 0.            |                            |             |             |
| <b>b</b> Prior years' undistributed income Subtract line 4b from line 2b                                                                                                          |               | 0.                         |             |             |
| <b>c</b> 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.                         |             |             |
| <b>d</b> Subtract line 6c from line 6b Taxable amount - see instructions                                                                                                          |               | 0.                         |             |             |
| <b>e</b> Undistributed income for 2013 Subtract line 4a from line 2a Taxable amount - see instr                                                                                   |               |                            | 0.          |             |
| <b>f</b> Undistributed income for 2014 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2015                                                                |               |                            |             | 5932277.    |
| <b>7</b> 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.            |                            |             |             |
| <b>8</b> Excess distributions carryover from 2009 not applied on line 5 or line 7                                                                                                 | 0.            |                            |             |             |
| <b>9</b> Excess distributions carryover to 2015. Subtract lines 7 and 8 from line 6a                                                                                              | 0.            |                            |             |             |
| <b>10</b> Analysis of line 9                                                                                                                                                      |               |                            |             |             |
| <b>a</b> Excess from 2010                                                                                                                                                         |               |                            |             |             |
| <b>b</b> Excess from 2011                                                                                                                                                         |               |                            |             |             |
| <b>c</b> Excess from 2012                                                                                                                                                         |               |                            |             |             |
| <b>d</b> Excess from 2013                                                                                                                                                         |               |                            |             |             |
| <b>e</b> Excess from 2014                                                                                                                                                         |               |                            |             |             |

N/A

**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 |          |          | (e) Total |
|----------|---------------|----------|----------|-----------|
| (a) 2014 | (b) 2013      | (c) 2012 | (d) 2011 |           |

**(4) Gross investment income**

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

| Recipient<br>Name and address (home or business) | If recipient is an individual,<br>show any relationship to<br>any foundation manager<br>or substantial contributor | Foundation<br>status of<br>recipient | Purpose of grant or<br>contribution | Amount   |
|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|----------|
| <b>a Paid during the year</b>                    |                                                                                                                    |                                      |                                     |          |
| Statement 7A                                     |                                                                                                                    |                                      |                                     | 5485000. |
|                                                  |                                                                                                                    |                                      |                                     |          |
|                                                  |                                                                                                                    |                                      |                                     |          |
|                                                  |                                                                                                                    |                                      |                                     |          |
|                                                  |                                                                                                                    |                                      |                                     |          |
| <b>Total</b>                                     |                                                                                                                    |                                      | <b>3a</b>                           | 5485000. |
| <b>b Approved for future payment</b>             |                                                                                                                    |                                      |                                     |          |
| Statement 7B                                     |                                                                                                                    |                                      |                                     | 2475000. |
|                                                  |                                                                                                                    |                                      |                                     |          |
|                                                  |                                                                                                                    |                                      |                                     |          |
| <b>Total</b>                                     |                                                                                                                    |                                      | <b>3b</b>                           | 2475000. |



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Statement 1

Part I, Line 11 - Other Income:

| Description                         | Column A             | Column B             |
|-------------------------------------|----------------------|----------------------|
|                                     | Balance<br>Per Books | Investment<br>Income |
| Oil & Gas Royalty Income            | 190,425              | 190,425              |
| Shareholders' litigation settlement | 0                    | 0                    |
| Total Other Income                  | 190,425              | 190,425              |

Statement 2

| Payee                              | Service                          | Column A<br>Balance<br>Per Books | Column B<br>Related to<br>Investment Income | Column D<br>Disbursed for<br>Charitable Purpose |
|------------------------------------|----------------------------------|----------------------------------|---------------------------------------------|-------------------------------------------------|
| Part I, Line 16a - Legal Fees      |                                  |                                  |                                             |                                                 |
| Brorby, Crozier & Dobie, PC - fees | Legal and tax advice - Corporate | 12,737                           | 704                                         | 12,033                                          |
| Kuperman, Orr & Albers, PC         | Legal advice - Property          | 360                              | 0                                           | 360                                             |
| Total Legal                        |                                  | 13,097                           | 704                                         | 12,393                                          |

Statement 3

Part I, Line 16c - Other Professional Fees

|                                  |                                 |         |         |       |
|----------------------------------|---------------------------------|---------|---------|-------|
| Smith Asset Management           | Investment management           | 125,540 | 125,540 | 0     |
| Clearbrook Investment Consulting | Investment consulting           | 81,760  | 81,760  | 0     |
| JP Morgan Chase                  | Custodial/Investment management | 53,927  | 53,927  | 0     |
| Westwood Trust                   | Investment management           | 32,975  | 32,975  | 0     |
| Wellington Management            | Investment management           | 29,410  | 29,410  | 0     |
| UBS Financial                    | Investment management           | 17,903  | 17,903  | 0     |
| Frost National Bank              | Plan sponsor for 401(k)         | 4,300   | 0       | 4,300 |
| C&M Administrators, Inc          | Form 5550 filing for 401(k)     | 1,452   | 0       | 1,452 |
| Realty Tax Consultants           | Property services               | 913     | 913     | 0     |
| Maxwell, Locke & Ritter          | Accounting consulting           | 400     | 0       | 400   |
| JMD Consulting                   | Computer consulting             | 100     | 0       | 100   |
| Total Other Professional Fees    |                                 | 348,681 | 342,429 | 6,252 |

Statement 4

Part 1, line 18 - Taxes:

| Description               | Column A             | Column B                        | Column D                             | Other  |
|---------------------------|----------------------|---------------------------------|--------------------------------------|--------|
|                           | Balance<br>Per Books | Related to<br>Investment Income | Disbursed for<br>Charitable Purposes |        |
| Payroll Taxes             | 26,054               | 1,492                           | 24,562                               |        |
| Ad Valorem Property Taxes | 42,727               | 42,727                          | 0                                    |        |
| Oil & Gas Production Tax  | 8,291                | 8,291                           | 0                                    |        |
| Personal Property Taxes   | 198                  | 11                              | 187                                  |        |
| Foreign Dividend Taxes    | 1,099                | 1,099                           | 0                                    |        |
| Excise Tax                | 75,000               | 0                               | 0                                    | 75,000 |
| K-1 adjustments           | 0                    | 6,751                           | 0                                    |        |
| Total                     | 153,370              | 60,372                          | 24,749                               | 75,000 |

Taxes on office property are listed on Part I, Line 20



Statement 5

Part I, Line 19 - Depreciation and Depletion

| Depreciation                     | Date<br>Acquired | Cost   | Recovery<br>Period | Method<br>Used | Rate | Accum<br>as of<br>10/31/14 | -----Current Expense----- |                          |          | Accum<br>as of<br>10/31/15 |
|----------------------------------|------------------|--------|--------------------|----------------|------|----------------------------|---------------------------|--------------------------|----------|----------------------------|
|                                  |                  |        |                    |                |      |                            | Column A                  | Column B                 | Other    |                            |
|                                  |                  |        |                    |                |      |                            | Balance<br>Per Books      | Related to<br>Inv Income | Disposed |                            |
| Oil & Gas Properties             | 1980             | 17,418 | Life of<br>Reserve | Cost           | 0    | 12,043                     | 0                         | 0                        | 0        | 12,043                     |
| Total Depletion                  |                  |        |                    |                |      | 12,043                     | 0                         | 0                        | 0        | 12,043                     |
| Total Depreciation and Depletion |                  |        |                    |                |      | 190,558                    | 5,037                     | 409                      | 4,628    | 195,595                    |

\* Annual rate of 3.1746%  
F = First year 1/2 annual rate L = Last year 1/2 annual rate

Statement 6

Part 1, Line 23 - Other Expenses:

| Description                               | Column A             | Column B                        | Column D                             |
|-------------------------------------------|----------------------|---------------------------------|--------------------------------------|
|                                           | Balance<br>Per Books | Related to<br>Investment Income | Disbursed for<br>Charitable Purposes |
| Office Supplies                           | 1,547                | 86                              | 1,461                                |
| Pantry Supplies                           | 796                  | 45                              | 752                                  |
| Data Processing Supplies                  | 3,574                | 200                             | 3,374                                |
| Equipment Repairs                         | 430                  | 24                              | 406                                  |
| Property Repairs                          | 33                   | 33                              | 0                                    |
| Property & Liability Insurance            | 12,141               | 679                             | 11,462                               |
| Investment Property & Liability Insurance | 814                  | 814                             | 0                                    |
| Membership Dues                           | 2,955                | 16                              | 2,939                                |
| Direct Charitable                         | 301                  | 0                               | 301                                  |
| Miscellaneous                             | 2,857                | 277                             | 2,579                                |
| Other Deductions (K-1s)                   | 0                    | 16,422                          | 0                                    |
| Total                                     | 25,448               | 18,597                          | 23,274                               |

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Part XV, Line 3a - Grants & Contributions Paid During the Year:

| Activity/Recipient/Address                             | Status | Purpose         | Amount  |
|--------------------------------------------------------|--------|-----------------|---------|
| Human Needs and Services                               |        |                 |         |
| Athens Samaritans                                      | Public | General support | 15,000  |
| PO Box 350, Athens, TX 75751                           |        |                 |         |
| Austin Children's Shelter                              | Public | General support | 10,000  |
| 4800 Manor Road, Austin, TX 78723                      |        |                 |         |
| Austin Police Operation Blue Santa                     | Public | General support | 5,000   |
| 4101 S. Industrial Drive, Ste. 260, Austin, TX 78744   |        |                 |         |
| Austin Speech Labs                                     | Public | General support | 2,000   |
| 7800 Shoal Creek Blvd., Ste. 136, Austin, TX 78757     |        |                 |         |
| Building Homes for Heroes                              | Public | General support | 10,000  |
| 65 Roosevelt Avenue, Ste. 105, Valley Stream, NY 11581 |        |                 |         |
| CASA of Trinity Valley                                 | Public | General support | 15,000  |
| PO Box 2259, Athens, TX 75751                          |        |                 |         |
| Colleagues, The                                        | Public | General support | 2,500   |
| 3312 Pico Blvd., Santa Monica, CA 90405                |        |                 |         |
| Communities In Schools                                 | Public | General support | 2,000   |
| 3000 S. IH-35, Ste. 200, Austin, TX 78704              |        |                 |         |
| Emilys Place                                           | Public | General support | 5,000   |
| PO Box 860911, Plano, TX 75074                         |        |                 |         |
| Fremont Area Foundation                                | Public | General support | 7,500   |
| 1005 E. 23rd Street, Ste. 2, Fremont, NE 68025         |        |                 |         |
| Health Alliance for Austin Musicians                   | Public | General support | 100,000 |
| 1206 W. 38th Street, Ste. 4101, Austin, TX 78705       |        |                 |         |
| Helping Hand Home for Children                         | Public | General support | 5,000   |
| 3804 Avenue B, Austin, TX 78751                        |        |                 |         |
| Henderson County Community Partners                    | Public | General support | 2,000   |
| 115 S. Murchison, Athens, TX 75751                     |        |                 |         |

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Part XV, Line 3a - Grants & Contributions Paid During the Year:

| Activity/Recipient/Address                                                                             | Status | Purpose         | Amount  |
|--------------------------------------------------------------------------------------------------------|--------|-----------------|---------|
| Henderson County Food Pantry<br>715 E. Corsicana, Athens, TX 75751                                     | Public | General support | 15,000  |
| I Am Waters Foundation<br>3262 Westheimer Blvd., Box 229, Houston, TX 77098                            | Public | General support | 60,000  |
| I Live Here I Give Here<br>1210 Rosewood Avenue, Austin, TX 78702                                      | Public | General support | 3,000   |
| Lila Lane Outreach<br>101 Lila Lane, Athens, TX 75751                                                  | Public | General support | 25,000  |
| Make-A-Wish Foundation - Central & South Texas<br>2224 Walsh Tarlton Lane, Suite 200, Austin, TX 78746 | Public | General support | 6,000   |
| Make-A-Wish Foundation - North Texas<br>Northeast Regional Office, 102 N. College, Tyler, TX 75702     | Public | General support | 6,000   |
| March of Dimes Foundation<br>11044 Research Blvd., #A-210, Austin, TX 78759                            | Public | General support | 7,500   |
| Meals on Wheels Ministries<br>PO Box 5475, Tyler, TX 75712                                             | Public | General support | 15,000  |
| People's Community Clinic<br>2909 N. IH-35, Austin, TX 78722                                           | Public | General support | 30,000  |
| Ronald McDonald House Charities<br>403 E. 15th Street, Austin, TX 78701                                | Public | General support | 2,500   |
| Salvation Army-Austin<br>501 E. 8th Street, Austin, TX 78701                                           | Public | General support | 105,000 |
| St. Anne's<br>155 N. Occidental Blvd., Los Angeles, CA 90026                                           | Public | General support | 3,000   |
| St. Vincent Citizens Nutrition Program<br>2131 West Third Street, Los Angeles, CA 90057-0992           | Public | General support | 62,500  |
| TPFC Foundation<br>805 Morningside Drive, San Antonio, TX 78209-5525                                   | Public | General support | 5,000   |

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Part XV, Line 3a - Grants & Contributions Paid During the Year:

| Activity/Recipient/Address                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Status                                                                                           | Purpose                                                                                                                                                 | Amount                                                                               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| West Austin Care Givers<br>2601 Exposition Blvd., Austin, TX 78703<br>Total Human Needs and Services                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Public                                                                                           | General support                                                                                                                                         | 5,000<br>531,500                                                                     |
| Public and Community Benefit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                  |                                                                                                                                                         |                                                                                      |
| Austin Community Foundation<br>PO Box 5159, Austin, TX 78763<br>Boy Scouts of America, Capitol Area Council<br>12500 N. IH-35, Austin, TX 78753<br>City of Athens, Texas<br>508 E. Tyler Street, Athens, TX 75751<br>East Texas Arboretum & Botanical Society<br>1601 Patterson Road, Athens, TX 75751<br>Henderson County Historical Society<br>217 N. Prairieville, Athens, TX 75751<br>KIDFISH Foundation<br>413 S. Carroll Street, Athens, TX 75751<br>Public Library Fund<br>121 S. Prairieville, Athens, TX 75751<br>Van Cliburn Foundation<br>201 Main Street, Ste. 100, Fort Worth, TX 76102<br>Total Public and Community Benefit | Public<br>Public<br>Public<br>Public<br>Public<br>Public<br>Public<br>Public<br>Public<br>Public | General support<br>General support<br>General support<br>Memorial Endowment<br>General support<br>General support<br>General support<br>General support | 3,000<br>25,000<br>13,000<br>100,000<br>2,000<br>3,000<br>10,000<br>8,000<br>164,000 |

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Part XV, Line 3a - Grants & Contributions Paid During the Year:

| Activity/Recipient/Address                                                                                                                                                                                                                                                                                                                                                  | Status                                         | Purpose                                                                                     | Amount                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|---------------------------------------------------------------------------------------------|---------------------------------------------------------|
| Public and Community Benefit<br>Facilities and Equipment                                                                                                                                                                                                                                                                                                                    |                                                |                                                                                             |                                                         |
| Reckless Kelly Youth Foundation<br>584 Rockhurst Street, Buda, TX 78610<br>Total Facilities and Equipment                                                                                                                                                                                                                                                                   | Public                                         | General support                                                                             | 10,000<br>10,000                                        |
| Cultural Institutions<br>Program Presentation and Support                                                                                                                                                                                                                                                                                                                   |                                                |                                                                                             |                                                         |
| Art Conspiracy<br>3824 Cedar Springs, Ste. 106, Dallas, TX 75219<br>ASCAP Foundation<br>One Lincoln Plaza, New York, NY 10023-7142<br>Austin Film Festival<br>1801 Salina Street, Austin, TX 78702<br>Black Fret<br>PO Box 29628, Austin, TX 78755-6628<br>East Texas Arboretum & Botanical Society<br>1601 Patterson Road, Athens, TX 75751<br>Total Cultural Institutions | Public<br>Public<br>Public<br>Public<br>Public | General support<br>General support<br>General support<br>General support<br>General support | 1,000<br>25,000<br>10,000<br>30,000<br>10,000<br>76,000 |
| Scientific and Medical Institutions<br>Facilities and Equipment                                                                                                                                                                                                                                                                                                             |                                                |                                                                                             |                                                         |
| Disciples Clinic<br>PO Box 1757, Athens, TX 75751<br>Total Facilities and Equipment                                                                                                                                                                                                                                                                                         | Public                                         | New equipment                                                                               | 25,000<br>25,000                                        |

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Part XV, Line 3a - Grants & Contributions Paid During the Year:

| Activity/Recipient/Address                               | Status | Purpose               | Amount    |
|----------------------------------------------------------|--------|-----------------------|-----------|
| Scientific and Medical Institutions                      |        |                       |           |
| Research and Treatment                                   |        |                       |           |
| American Red Cross                                       | Public | General support       | 10,000    |
| 2218 Pershing Drive, Austin, TX 78723                    |        |                       |           |
| Children's Burn Foundation                               | Public | General support       | 5,000     |
| 4929 Van Nuys Blvd., Sherman Oaks, CA 91403              |        |                       |           |
| Cure Duchenne                                            | Public | General support       | 2,500     |
| 3800 N. Lamar Blvd., Ste. 138, Austin, TX 78756          |        |                       |           |
| Daughters of Charity of St. Vincent de Paul (Seton)      | Public | General support       | 280,000   |
| 1201 West 38th Street, Austin, TX 78705                  |        |                       |           |
| Hospice Austin                                           | Public | General support       | 2,500     |
| 4107 Spicewood Springs Road, Ste. 100, Austin, TX 78759  |        |                       |           |
| Pay It Forward Fertility Foundation                      | Public | General support       | 5,000     |
| 19141 Stone Oak Parkway, Ste. 104, San Antonio, TX 78258 |        |                       |           |
| Texas A&M University                                     | Public | General support       | 20,000    |
| 401 George Bush Drive, College Station, TX 77840-2811    |        |                       |           |
| Texas Scottish Rite Hospital                             | Public | General support       | 31,000    |
| 2222 Wellborn Street, Dallas, TX 75219                   |        |                       |           |
| University of Texas System                               |        |                       |           |
| 601 Colorado Street, Austin, TX 78701-2982               | Public | Endowment enhancement | 3,204,000 |
| University of Texas System                               |        |                       |           |
| 601 Colorado Street, Austin, TX 78701-2982               | Public | Memorial endowments   | 175,000   |
| Total Research and Treatment                             |        |                       | 3,735,000 |

Statement 7A Page 6 of 9

Part XV, Line 3a - Grants & Contributions Paid During the Year:

| Activity/Recipient/Address                           | Status | Purpose              | Amount  |
|------------------------------------------------------|--------|----------------------|---------|
| <b>Educational Institutions</b>                      |        |                      |         |
| <b>Scholarships and Awards</b>                       |        |                      |         |
| Amarillo Area Foundation                             | Public | Scholarships         | 50,000  |
| 801 S. Fillmore, Ste. 700, Amarillo, TX 79101        |        |                      |         |
| Athens Christian Preparatory Academy                 | Public | Scholarships         | 25,000  |
| 901 Mission Avenue, Athens, TX 75751                 |        |                      |         |
| Athens Independent School District                   | Public | Scholarships         | 1,500   |
| 104 Hawn Street, Athens, TX 75751                    |        |                      |         |
| Ex-Students' Association                             | Public | Scholarships         | 5,000   |
| 2110 San Jacinto, Austin, TX 78712                   |        |                      |         |
| Grammy Foundation                                    | Public | Scholarships         | 7,500   |
| 3402 Pico Blvd., Santa Monica, CA 90405              |        |                      |         |
| Kappa Alpha Order Educational Foundation             | Public | Scholarships         | 3,000   |
| PO Box 1865, Lexington, VA 24450                     |        |                      |         |
| National Football Foundation                         | Public | Scholarships         | 12,000  |
| 21st at San Jacinto, Bellmont Hall, Austin, TX 78705 |        |                      |         |
| Texas A&M Foundation                                 | Public | Endowed scholarships | 100,000 |
| 1501 Texas Avenue, South, College Station, TX 77840  |        |                      |         |
| University of Texas at Austin                        | Public | Endowed scholarships | 50,000  |
| 2400 Inner Campus Drive, Austin, TX 78712            |        |                      |         |
| Visitation Academy of St. Louis County               | Public | Scholarships         | 10,000  |
| 3020 N. Ballas Road, St. Louis, MO 63131             |        |                      |         |
| Total Scholarships and Awards                        |        |                      | 264,000 |

Statement 7A Page 7 of 9

Part XV, Line 3a - Grants & Contributions Paid During the Year:

| Activity/Recipient/Address                 | Status | Purpose              | Amount  |
|--------------------------------------------|--------|----------------------|---------|
| <b>Educational Institutions</b>            |        |                      |         |
| <b>Educational Programs</b>                |        |                      |         |
| Athens Christian Preparatory Academy       | Public | General support      | 10,000  |
| 901 Mission Avenue, Athens, TX 75751       |        |                      |         |
| Athens High School                         | Public | General support      | 20,000  |
| 708 E. College Street, Athens, TX 75751    |        |                      |         |
| Hockaday School                            | Public | General support      | 3,000   |
| 11600 Welch Road, Dallas, TX 75229         |        |                      |         |
| Rice University                            | Public | General support      | 2,500   |
| 3322 RR 620 South, Austin, TX 78738        |        |                      |         |
| University of Texas System                 | Public | General support      | 20,000  |
| 601 Colorado Street, Austin, TX 78701-2982 |        |                      |         |
| University of Texas at Austin              | Public | General support      | 38,000  |
| 2400 Inner Campus Drive, Austin, TX 78712  |        |                      |         |
| Total Educational Programs                 |        |                      | 93,500  |
| <b>Educational Institutions</b>            |        |                      |         |
| <b>Facilities and Equipment</b>            |        |                      |         |
| Athens Independent School District         | Public | Facilities expansion | 250,000 |
| 104 Hawn Street, Athens, TX 75751          |        |                      |         |
| Total Facilities and Equipment             |        |                      | 250,000 |

Statement 7A Page 8 of 9

Part XV, Line 3a - Grants & Contributions Paid During the Year:

| Activity/Recipient/Address                                                                        | Status | Purpose          | Amount  |
|---------------------------------------------------------------------------------------------------|--------|------------------|---------|
| <b>Educational Institutions</b>                                                                   |        |                  |         |
| <b>Special Programs</b>                                                                           |        |                  |         |
| National Guard Association Texas Educational Foundation<br>3706 Crawford Avenue, Austin, TX 78731 | Public | General support  | 12,000  |
| University of Texas at Austin<br>2400 Inner Campus Drive, Austin, TX 78712                        | Public | Special programs | 165,000 |
| University of Texas at Austin<br>2400 Inner Campus Drive, Austin, TX 78712                        | Public | General support  | 2,000   |
| Total Special Programs                                                                            |        |                  | 179,000 |
| <b>Religious Institutions</b>                                                                     |        |                  |         |
| <b>Religious Programs and Projects</b>                                                            |        |                  |         |
| Fellowship of Christian Athletes<br>1011 E. 53 1/2 Street, Suite 200, Austin, TX 78751            | Public | General support  | 5,000   |
| First Presbyterian Church<br>306 East Tyler Street, Athens, TX 75751                              | Public | General support  | 25,000  |
| Good Shepherd Episcopal Church<br>2206 Exposition Blvd., Austin, TX 78703                         | Public | General support  | 21,000  |
| Ministry of Challenge<br>1500 East 12th Street, Austin, TX 78702                                  | Public | General support  | 3,500   |
| Ministry of Healing<br>PO Box 7261, Tyler, TX 75711-7261                                          | Public | General support  | 10,000  |

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Part XV, Line 3a - Grants & Contributions Paid During the Year:

| Activity/Recipient/Address                                                 | Status | Purpose         | Amount    |
|----------------------------------------------------------------------------|--------|-----------------|-----------|
| Mt. Dearborn Methodist Church<br>PO Box 236, Great Falls, SC 29055         | Public | General support | 7,500     |
| Westminster Presbyterian Church<br>3208 Exposition Blvd., Austin, TX 78763 | Public | General support | 75,000    |
| Young Life - Athens<br>PO Box 520, Colorado Springs, CO 80901-0520         | Public | General support | 5,000     |
| Total Religious Programs and Projects                                      |        |                 | 152,000   |
| Religious Institutions<br>Facilities and Equipment                         |        |                 |           |
| First Presbyterian Church<br>306 East Tyler Street, Athens, TX 75751       | Public | General support | 5,000     |
| Total Facilities and Equipment                                             |        |                 | 5,000     |
| Total Contributions                                                        |        |                 | 5,485,000 |

Statement 7B

Part XV, Line 3b - Grants and Contributions Approved for Future Payment

| Recipient/Address                                                        | Status | Purpose               | Amount    |
|--------------------------------------------------------------------------|--------|-----------------------|-----------|
| University of Texas System<br>601 Colorado Street, Austin, TX 78701-2982 | Public | Endowment enhancement | 2,475,000 |
| Total future payments                                                    |        |                       | 2,475,000 |

Statement 8

Part II, Line 10a - Investments - US & State Government Obligations:

| Description                             | Beginning<br>of Tax Year | End of Tax Year           |               |                                  |
|-----------------------------------------|--------------------------|---------------------------|---------------|----------------------------------|
|                                         |                          | Column A<br>Book<br>Value | Face<br>Value | Column B<br>Book<br>Value        |
|                                         |                          |                           |               | Column C<br>Fair Market<br>Value |
| GS TIPS                                 | 1,096,107                | NA                        |               | 0 GS                             |
| Total US & State Government Obligations | 1,096,107                | 0                         |               | 0                                |

## Statement 9

## Part II, Line 10b - Investments - Corporate Stock:

| Description                         | Beginning<br>of Tax Year  | End of Tax Year |                           |                                  |
|-------------------------------------|---------------------------|-----------------|---------------------------|----------------------------------|
|                                     | Column A<br>Book<br>Value | # of<br>Shares  | Column B<br>Book<br>Value | Column C<br>Fair Market<br>Value |
| Accenture PLC Class A               | 155,327                   | 1,549           | 123,755                   | 166,053                          |
| Actavis                             | 331,200                   | 0               | 0                         | 0                                |
| Agco Corporation                    | 7,435                     | 0               | 0                         | 0                                |
| Agilent Technologies                | 5,188                     | 0               | 0                         | 0                                |
| Airgas                              | 6,847                     | 51              | 5,543                     | 4,904                            |
| Alaska Air Group                    | 186,866                   | 8,700           | 162,573                   | 663,375                          |
| Align Technology                    | 500,004                   | 0               | 0                         | 0                                |
| Allergan PLC                        | 0                         | 1,800           | 259,200                   | 555,246                          |
| Amdocs LTD                          | 481,673                   | 10,100          | 467,770                   | 601,657                          |
| American Express Company            | 191,086                   | 0               | 0                         | 0                                |
| American Water Works Company        | 4,394                     | 0               | 0                         | 0                                |
| Ametek                              | 258,340                   | 0               | 0                         | 0                                |
| Anadarko Petroleum Corporation      | 2,263                     | 54              | 4,593                     | 3,612                            |
| Ansys                               | 498,215                   | 6,200           | 475,276                   | 590,922                          |
| Apache Corporation                  | 3,363                     | 47              | 4,023                     | 2,215                            |
| Apple                               | 403,946                   | 4,200           | 314,180                   | 501,900                          |
| Aqua America                        | 4,465                     | 0               | 0                         | 0                                |
| Aspen Technology                    | 483,894                   | 12,700          | 476,459                   | 525,653                          |
| Automatic Data Processing           | 112,903                   | 1,773           | 97,498                    | 154,233                          |
| Axiell Corporation                  | 5,493                     | 94              | 3,968                     | 1,904                            |
| Baker Hughes                        | 4,389                     | 53              | 3,504                     | 2,792                            |
| Bank of New York Mellon Corporation | 0                         | 11,700          | 460,723                   | 487,305                          |
| Baxter International                | 156,933                   | 0               | 0                         | 0                                |
| BB&T Corporation                    | 130,731                   | 4,012           | 143,636                   | 149,046                          |
| Boeing Company                      | 386,846                   | 4,717           | 518,573                   | 698,446                          |
| C R Bard                            | 484,748                   | 3,200           | 470,105                   | 596,320                          |
| C.H. Robinson Worldwide             | 0                         | 7,200           | 474,653                   | 499,536                          |

Statement 9

Part II, Line 10b - Investments - Corporate Stock:

| Description                       | Beginning<br>of Tax Year  | End of Tax Year |                           |                                  |
|-----------------------------------|---------------------------|-----------------|---------------------------|----------------------------------|
|                                   | Column A<br>Book<br>Value | # of<br>Shares  | Column B<br>Book<br>Value | Column C<br>Fair Market<br>Value |
| Cameron International Corporation | 3,284                     | 0               | 0                         | 0                                |
| Carbo Ceramics                    | 10,593                    | 100             | 4,551                     | 1,752                            |
| Caterpillar                       | 163,307                   | 0               | 0                         | 0                                |
| Centerpoint Energy                | 9,838                     | 301             | 7,624                     | 5,584                            |
| Chart Industries                  | 6,147                     | 0               | 0                         | 0                                |
| Chevron Corporation               | 403,339                   | 3,900           | 403,339                   | 354,432                          |
| Chicago Bridge & Iron Company     | 7,465                     | 161             | 8,895                     | 7,224                            |
| Chubb Corporation                 | 436,115                   | 0               | 0                         | 0                                |
| Cimarex Energy Company            | 2,211                     | 36              | 3,914                     | 4,250                            |
| Cintas Corporation                | 0                         | 6,400           | 536,155                   | 595,776                          |
| Cisco Systems                     | 483,532                   | 23,740          | 603,301                   | 684,899                          |
| Clean Harbors                     | 12,194                    | 149             | 9,252                     | 6,927                            |
| Clorox Company                    | 0                         | 4,900           | 535,247                   | 597,506                          |
| Coach                             | 0                         | 12,800          | 545,372                   | 399,360                          |
| Coca Cola Enterprises             | 57,153                    | 1,500           | 57,153                    | 63,525                           |
| Colgate Palmolive Company         | 159,832                   | 2,806           | 159,832                   | 186,178                          |
| Columbia Pipeline Group           | 0                         | 156             | 4,221                     | 3,240                            |
| Comerica                          | 484,409                   | 0               | 0                         | 0                                |
| ConocoPhillips                    | 158,174                   | 0               | 0                         | 0                                |
| Consol Energy                     | 5,108                     | 219             | 7,539                     | 1,459                            |
| Corning                           | 31,819                    | 2,000           | 31,819                    | 37,200                           |
| Costco Wholesale Corporation      | 471,554                   | 0               | 0                         | 0                                |
| Covance                           | 486,743                   | 0               | 0                         | 0                                |
| CSX Corporation                   | 33,071                    | 1,200           | 33,071                    | 32,388                           |
| Cullen Frost Bankers              | 1,378,063                 | 100,136         | 1,378,063                 | 6,853,308                        |
| Danaher Corporation               | 6,999                     | 0               | 0                         | 0                                |
| Darling Ingredients               | 7,020                     | 0               | 0                         | 0                                |
| Devon Energy Corporation          | 3,893                     | 52              | 3,893                     | 2,180                            |

Statement 9

Part II, Line 10b - Investments - Corporate Stock:

| Description                    | Beginning<br>of Tax Year  | End of Tax Year |                           |                                  |
|--------------------------------|---------------------------|-----------------|---------------------------|----------------------------------|
|                                | Column A<br>Book<br>Value | # of<br>Shares  | Column B<br>Book<br>Value | Column C<br>Fair Market<br>Value |
| Discover Financial Services    | 388,850                   | 8,100           | 388,850                   | 455,382                          |
| Dominion Resources             | 0                         | 64              | 4,670                     | 4,572                            |
| Dow Chemical Company           | 0                         | 62              | 3,266                     | 3,204                            |
| DST Systems                    | 475,394                   | 0               | 0                         | 0                                |
| DTE Energy Company             | 3,092                     | 0               | 0                         | 0                                |
| DXP Enterprises                | 4,467                     | 81              | 5,638                     | 2,451                            |
| Ecolab                         | 5,310                     | 0               | 0                         | 0                                |
| Emerson Electric Company       | 6,671                     | 100             | 6,671                     | 4,723                            |
| Energen Corporation            | 7,228                     | 106             | 7,420                     | 6,164                            |
| Energy Select Sector SPDR FD   | 0                         | 781             | 48,400                    | 53,131                           |
| EOG Resources                  | 11,336                    | 91              | 10,210                    | 7,812                            |
| EQT Corporation                | 3,969                     | 39              | 3,969                     | 2,577                            |
| ExxonMobil Corporation         | 175,044                   | 6,523           | 317,933                   | 539,713                          |
| F5 Networks                    | 472,520                   | 4,100           | 472,520                   | 451,820                          |
| Facebook-A                     | 452,316                   | 0               | 0                         | 0                                |
| Factset Research Systems       | 0                         | 3,300           | 481,739                   | 577,896                          |
| Fifth Third Bancorp            | 136,473                   | 0               | 0                         | 0                                |
| Flowserve Corporation          | 18,458                    | 219             | 16,044                    | 10,153                           |
| Fluor Corporation              | 5,573                     | 0               | 0                         | 0                                |
| Ford Motor Company             | 41,106                    | 11,210          | 182,730                   | 166,020                          |
| Freeport-McMoran Cooper & Gold | 32,488                    | 1,000           | 32,488                    | 11,770                           |
| Generac Holdings               | 3,745                     | 0               | 0                         | 0                                |
| General Dynamics Corporation   | 0                         | 4,000           | 534,506                   | 594,320                          |
| General Mills                  | 140,025                   | 3,004           | 140,025                   | 174,562                          |
| General Motors Company         | 34,805                    | 1,000           | 34,805                    | 34,910                           |
| Gentex Corporation             | 378,235                   | 31,000          | 378,235                   | 508,090                          |
| Gilead Sciences                | 491,763                   | 4,900           | 401,645                   | 529,837                          |

Statement 9

Part II, Line 10b - Investments - Corporate Stock:

| Description                      | Beginning<br>of Tax Year  |                |                           | End of Tax Year                  |  |           |
|----------------------------------|---------------------------|----------------|---------------------------|----------------------------------|--|-----------|
|                                  | Column A<br>Book<br>Value | # of<br>Shares | Column B<br>Book<br>Value | Column C<br>Fair Market<br>Value |  |           |
| Halliburton Company              | 5,151                     | 0              | 0                         | 0                                |  | 0         |
| Helmerich & Payne                | 190,396                   | 4,350          | 190,396                   | 244,775                          |  | 244,775   |
| Hess Corporation                 | 2,687                     | 44             | 3,756                     | 2,473                            |  | 2,473     |
| Hewlett-Packard Company          | 379,204                   | 0              | 0                         | 0                                |  | 0         |
| Hologic                          | 0                         | 15,700         | 503,642                   | 610,102                          |  | 610,102   |
| Home Depot                       | 334,070                   | 6,451          | 282,728                   | 797,602                          |  | 797,602   |
| Honeywell International          | 6,234                     | 37             | 3,495                     | 3,821                            |  | 3,821     |
| Idex Corporation                 | 10,213                    | 77             | 6,255                     | 5,911                            |  | 5,911     |
| Illinois Tool Works              | 123,540                   | 1,865          | 123,540                   | 171,468                          |  | 171,468   |
| Intel Corporation                | 23,874                    | 1,000          | 23,874                    | 33,860                           |  | 33,860    |
| Intercontinental Exchange        | 0                         | 2,200          | 520,674                   | 555,280                          |  | 555,280   |
| Jacobs Engineering Group         | 5,245                     | 98             | 5,245                     | 3,934                            |  | 3,934     |
| Johnson & Johnson                | 465,060                   | 6,497          | 465,060                   | 656,392                          |  | 656,392   |
| JP Morgan Chase & Company        | 584,845                   | 15,894         | 610,343                   | 1,021,190                        |  | 1,021,190 |
| Juniper Networks                 | 0                         | 18,200         | 468,140                   | 571,298                          |  | 571,298   |
| Kimberly-Clark Corporation       | 383,486                   | 4,400          | 367,563                   | 526,724                          |  | 526,724   |
| Kinder Morgan Management LLC     | 3,721                     | 114            | 3,721                     | 3,118                            |  | 3,118     |
| Kirby Company                    | 4,594                     | 74             | 7,382                     | 4,831                            |  | 4,831     |
| Kroger Company                   | 247,512                   | 15,000         | 181,994                   | 567,000                          |  | 567,000   |
| Laredo Petroleum                 | 0                         | 86             | 779                       | 987                              |  | 987       |
| Lincoln Electric Holdings        | 5,644                     | 80             | 5,644                     | 4,785                            |  | 4,785     |
| LyonellBasel Industries, Class A | 0                         | 4,900          | 517,776                   | 455,259                          |  | 455,259   |
| Marathon Oil Corporation         | 4,455                     | 160            | 5,131                     | 2,941                            |  | 2,941     |
| Martin Marietta Materials        | 0                         | 30             | 3,318                     | 4,655                            |  | 4,655     |
| Mastec                           | 4,498                     | 0              | 0                         | 0                                |  | 0         |
| McDonalds Corporation            | 198,345                   | 2,263          | 211,864                   | 254,022                          |  | 254,022   |
| McKesson Corporation             | 144,742                   | 2,275          | 123,098                   | 406,770                          |  | 406,770   |

## Statement 9

## Part II, Line 10b - Investments - Corporate Stock:

| Description                       | Beginning<br>of Tax Year  | End of Tax Year |                           |                                  |
|-----------------------------------|---------------------------|-----------------|---------------------------|----------------------------------|
|                                   | Column A<br>Book<br>Value | # of<br>Shares  | Column B<br>Book<br>Value | Column C<br>Fair Market<br>Value |
| Merck & Company                   | 0                         | 2,603           | 152,247                   | 142,280                          |
| Microsoft Corporation             | 0                         | 3,380           | 141,311                   | 177,923                          |
| MRC Global                        | 4,320                     | 0               | 0                         | 0                                |
| Murphy USA                        | 4,167                     | 85              | 4,208                     | 5,216                            |
| Nabors Industries                 | 4,969                     | 0               | 0                         | 0                                |
| National-Oilwell Varco            | 366,284                   | 0               | 0                         | 0                                |
| Nestle A Sponsored ADR            | 74,657                    | 1,000           | 74,657                    | 76,220                           |
| Newfield Exploration Company      | 13,451                    | 238             | 9,462                     | 9,565                            |
| Nextera Energy                    | 138,325                   | 1,367           | 92,066                    | 140,336                          |
| Nike, Class B                     | 0                         | 4,600           | 505,475                   | 602,738                          |
| Nisource                          | 4,363                     | 0               | 0                         | 0                                |
| Noble Energy                      | 4,262                     | 94              | 5,833                     | 3,369                            |
| Nucor Corporation                 | 4,201                     | 0               | 0                         | 0                                |
| Occidental Petroleum Corporation  | 205,414                   | 637             | 54,179                    | 47,482                           |
| OGE Energy Corporation            | 0                         | 116             | 3,630                     | 3,307                            |
| PDC Energy                        | 1,837                     | 32              | 1,837                     | 1,931                            |
| Pentair LTD                       | 4,343                     | 0               | 0                         | 0                                |
| Pepsico                           | 137,540                   | 1,838           | 137,540                   | 187,825                          |
| Perkinelmer                       | 3,398                     | 0               | 0                         | 0                                |
| Pfizer                            | 0                         | 4,164           | 147,511                   | 140,826                          |
| Phillips 66                       | 4,969                     | 2,169           | 165,527                   | 193,149                          |
| Pioneer Natural Resources Company | 2,843                     | 17              | 3,436                     | 2,331                            |
| Plains GP Holdings, Class A       | 0                         | 144             | 2,668                     | 2,239                            |
| PNC Financial Services Group      | 135,155                   | 1,609           | 135,155                   | 145,228                          |
| Praxair                           | 5,170                     | 0               | 0                         | 0                                |
| Procter & Gamble Company          | 209,387                   | 1,000           | 78,090                    | 76,380                           |
| QEP Resources                     | 3,625                     | 0               | 0                         | 0                                |

## Statement 9

## Part II, Line 10b - Investments - Corporate Stock:

| Description                     | Beginning<br>of Tax Year  | End of Tax Year |                           |                                  |
|---------------------------------|---------------------------|-----------------|---------------------------|----------------------------------|
|                                 | Column A<br>Book<br>Value | # of<br>Shares  | Column B<br>Book<br>Value | Column C<br>Fair Market<br>Value |
| Quanta Services                 | 7,774                     | 0               | 0                         | 0                                |
| Questar Corporation             | 7,262                     | 176             | 4,362                     | 3,634                            |
| Quintiles Transnational Holding | 0                         | 7,800           | 450,518                   | 496,470                          |
| Range Resources Corporation     | 0                         | 61              | 3,083                     | 1,857                            |
| Red Hat                         | 0                         | 6,500           | 472,415                   | 514,215                          |
| Rockwell Automation             | 392,240                   | 0               | 0                         | 0                                |
| Roper Industries                | 5,421                     | 0               | 0                         | 0                                |
| Royal Dutch Shell PLC           | 3,750                     | 47              | 3,750                     | 2,466                            |
| Schlumberger LTD                | 5,096                     | 43              | 4,366                     | 3,361                            |
| SEM Group Corporation, Class A  | 4,612                     | 77              | 5,862                     | 3,507                            |
| Sempra Energy                   | 4,686                     | 0               | 0                         | 0                                |
| Siemens ADR                     | 82,504                    | 700             | 82,504                    | 70,399                           |
| SKF AB                          | 5,562                     | 0               | 0                         | 0                                |
| SM Energy Company               | 0                         | 10,000          | 485,774                   | 333,500                          |
| Southwestern Energy Company     | 9,437                     | 276             | 10,614                    | 3,047                            |
| SPDR S&P Homebuilders ETF       | 44,819                    | 1,500           | 44,819                    | 53,610                           |
| Starbucks Corporation           | 439,682                   | 10,700          | 379,438                   | 669,499                          |
| Superior Energy Services        | 3,054                     | 0               | 0                         | 0                                |
| Target Corporation              | 173,084                   | 2,111           | 124,836                   | 162,927                          |
| The Priceline Group             | 277,306                   | 0               | 0                         | 0                                |
| TimkenSteel Corporation         | 6,569                     | 217             | 7,302                     | 2,309                            |
| Tortoise MLP & Pipeline-INS     | 44,100                    | 4,618           | 79,555                    | 58,647                           |
| Travelers Companies             | 342,819                   | 5,300           | 342,819                   | 598,317                          |
| Trinity Industries              | 7,415                     | 137             | 4,936                     | 3,709                            |
| Unilever PLC ADR                | 27,684                    | 700             | 27,684                    | 31,115                           |
| Union Pacific Corporation       | 446,220                   | 0               | 0                         | 0                                |
| United Parcel Service, Class B  | 162,517                   | 0               | 0                         | 0                                |

Statement 9

Part II, Line 10b - Investments - Corporate Stock:

| Description                                        | Beginning<br>of Tax Year  | End of Tax Year |                           |                                  |
|----------------------------------------------------|---------------------------|-----------------|---------------------------|----------------------------------|
|                                                    | Column A<br>Book<br>Value | # of<br>Shares  | Column B<br>Book<br>Value | Column C<br>Fair Market<br>Value |
| US Bancorp                                         | 0                         | 3,121           | 140,885                   | 131,644                          |
| Valero Energy Corporation                          | 331,672                   | 0               | 0                         | 0                                |
| Veolia Environnement ADR                           | 3,310                     | 0               | 0                         | 0                                |
| Voya Financial                                     | 0                         | 12,100          | 478,761                   | 490,897                          |
| Wabtec Corporation                                 | 244,482                   | 0               | 0                         | 0                                |
| Waste Connections                                  | 0                         | 99              | 4,381                     | 5,394                            |
| Weatherford International PL                       | 0                         | 189             | 1,894                     | 1,935                            |
| Williams Companies                                 | 3,684                     | 0               | 0                         | 0                                |
| Wyndham Worldwide Corporation                      | 497,104                   | 6,500           | 489,571                   | 528,775                          |
| Xylem Incorporation                                | 2,479                     | 0               | 0                         | 0                                |
| Chase Multi-Strategy Hedge Fund (Class C-A Series) | 5,250,000                 | 0               | 7,250,000                 | 10,364,829                       |
| Vanguard Institutional Index Fund                  | 6,400,467                 | 54,759          | 6,002,699                 | 10,415,129                       |
| Vanguard Small-Cap Index Fund                      | 3,256,657                 | 125,835         | 4,400,684                 | 6,881,902                        |
| Vanguard Total Index Fund                          | 3,537,827                 | 140,047         | 3,636,079                 | 3,539,000                        |
| Vanguard FTSE European ETF                         | 1,003,200                 | 16,500          | 1,003,200                 | 859,320                          |
| Harbor International                               | 7,401,864                 | 117,271         | 7,564,701                 | 7,701,194                        |
| Pimco All Asset Fund                               | 6,936,661                 | 600,550         | 7,244,122                 | 6,455,917                        |
| SPDR Gold Trust                                    | 345,995                   | 3,700           | 345,995                   | 404,410                          |
| Ishares Gold Trust                                 | 48,191                    | 3,000           | 48,099                    | 33,060                           |
| Wellington Inflation Hedges                        | 4,441,287                 | 0               | 0                         | 0                                |
| Westwood                                           | 8,590,757                 | 375,613         | 9,007,936                 | 9,493,229                        |
| GMO Benchmark-Free Fund                            | 7,186,483                 | 396,391         | 10,421,850                | 9,838,420                        |
| Total Corporate Stock                              | 75,363,207                | 2,351,912       | 79,196,778                | 99,206,598                       |

Statement 10

Part II, Line 10c - Investments - Corporate Bonds:

| Description                         | Beginning<br>of Tax Year  |                   | End of Tax Year           |                                  |
|-------------------------------------|---------------------------|-------------------|---------------------------|----------------------------------|
|                                     | Column A<br>Book<br>Value | Par/Face<br>Value | Column B<br>Book<br>Value | Column C<br>Fair Market<br>Value |
| Baird FDS                           | 2,965,698                 | NA                | 3,014,121                 | 3,004,671                        |
| UBS Financial                       | 9,524,738                 | NA                | 0                         | 0                                |
| GS Corporate Credit Investment Fund | 5,171,648                 | NA                | 4,859,095                 | 6,376,440                        |
| Total Corporate Bonds               | 17,662,085                | 0.00              | 7,873,216                 | 9,381,111                        |

Statement 11

Part II, Line 11 - Investments - Land, Buildings and Equipment:

| Description                            | Basis   | Beginning<br>of Tax Yr | End<br>of Tax Year        |                                 |                                                   |
|----------------------------------------|---------|------------------------|---------------------------|---------------------------------|---------------------------------------------------|
|                                        |         |                        | Column A<br>Book<br>Value | Column B<br>Accum.<br>Depletion | Column C<br>Book<br>Value<br>Fair Market<br>Value |
| Real Estate - Block 124, Dallas, Texas | 391,388 | 391,388                |                           | 0                               | 391,388                                           |
| Total                                  | 391,388 | 391,388                |                           | 0                               | 391,388                                           |

Statement 12

Part II, Line 13 - Investments - Other:

| Description                                 | Basis   | Beginning<br>of Tax Yr | End<br>of Tax Year        |                                 |                                                   |
|---------------------------------------------|---------|------------------------|---------------------------|---------------------------------|---------------------------------------------------|
|                                             |         |                        | Column A<br>Book<br>Value | Column B<br>Accum.<br>Depletion | Column C<br>Book<br>Value<br>Fair Market<br>Value |
| Oil & Gas Royalty Interests (Producing)     | 323,099 | 323,099                |                           | 12,043                          | 323,099                                           |
| Oil & Gas Royalty Interests (Non-producing) | 4,086   | 4,086                  |                           | 0                               | 4,086                                             |
| Total                                       | 327,185 | 327,185                |                           | 12,043                          | 327,185                                           |

See Statement 5 for analysis of Accumulated Depletion.

## Statement 13

## Part II, Line 14 - Land, Buildings and Equipment:

| Description               | Beginning<br>of Tax Yr | End<br>of Tax Year        |                    |                           |                                |
|---------------------------|------------------------|---------------------------|--------------------|---------------------------|--------------------------------|
|                           |                        | Column A<br>Book<br>Value | Accum.<br>Depret'n | Column B<br>Book<br>Value | Column<br>Fair Market<br>Value |
| Depreciable Assets        |                        |                           |                    |                           |                                |
| Office Equipment          | 8,179                  | 89                        | 8,090              | 0                         | 852                            |
| Furniture & Fixtures      | 41,070                 | 55                        | 41,016             | 0                         | 5,975                          |
| Data Processing Equipment | 8,452                  | 4,040                     | 4,412              | 2,799                     | 2,346                          |
| Office Refurbishment      | 42,336                 | 0                         | 42,336             | 0                         | 42,336                         |
| Office Condo - Building   | 115,091                | 32,430                    | 82,661             | 28,777                    | 173,333                        |
| Subtotal                  | 215,129                | 36,613                    | 178,515            | 31,577                    | 224,842                        |
| Non-depreciable Assets    |                        |                           |                    |                           |                                |
| Furniture & Fixtures      | 10,195                 | 10,195                    | 0                  | 10,195                    | 10,195                         |
| Office Condo - Land       | 29,212                 | 29,212                    | 0                  | 29,212                    | 94,042                         |
| Subtotal                  | 39,407                 | 39,407                    | 0                  | 39,407                    | 104,237                        |
| Total                     | 254,535                | 76,020                    | 178,515            | 70,984                    | 329,079                        |

See Statement 5 for analysis of Accumulated Depreciation, additions and disposals.

## Statement 14

## Part IV, Line 1 &amp; 2 - Capital Gains and Losses for Tax on Investment Income

| # of<br>Shares                                  | Description                                           | *How<br>Acquired | Date<br>Acquired | Date<br>Sold | Sales<br>Price | Cost          | Gain<br>(Loss) |
|-------------------------------------------------|-------------------------------------------------------|------------------|------------------|--------------|----------------|---------------|----------------|
| Publicly Traded Securities                      |                                                       |                  |                  |              |                |               |                |
| 0                                               | GMO Benchmark-free Allocation Fund gain distributions | P                | Various          | Various      | 22,807,840.40  | 20,495,792.48 | 2,312,047.92   |
| 0                                               | Goldman Sachs TIPS                                    | P                | 26-Apr-10        | 15-Apr-15    | 115,851.39     | 0.00          | 115,851.39     |
| 875                                             | Wellington Inflation Hedge                            | P                | Various          | 03-Nov-14    | 1,080,610.00   | 1,093,166.21  | (12,556.21)    |
| 868                                             | Wellington Inflation Hedge                            | P                | Various          | 02-Feb-15    | 12,139.71      | 10,800.05     | 1,339.66       |
| 515                                             | Wellington Inflation Hedge                            | P                | Various          | 02-Mar-15    | 10,714.75      | 10,706.77     | 7.98           |
| 359,014                                         | Wellington Inflation Hedge                            | P                | Various          | 02-Mar-15    | 6,555.50       | 6,355.31      | 200.19         |
| 0                                               | Wellington Inflation Hedge (K-1 adjustments)          | P                | Various          | 02-Mar-15    | 4,570,249.42   | 4,430,679.35  | 139,570.07     |
| 0                                               | Westwood Common Fund Equity gain distribution         | x                | Various          | 31-Oct-11    | 654,672.34     | 0.00          | 654,672.34     |
| 0                                               | Westwood Income Opportunity Fund gain distributions   | P                | Various          | Various      | 305,834.75     | 60,670.81     | 245,163.94     |
| 0                                               | Westwood Funds (K-1 adjustments)                      | P                | Various          | Various      | 55,451.34      | 0.00          | 55,451.34      |
|                                                 |                                                       | x                | Various          | 31-Oct-11    | 97,840.74      | 0.00          | 97,840.74      |
| Total Fixed Income                              |                                                       |                  |                  |              | 6,909,919.94   | 5,612,378.50  | 1,297,541.44   |
| Total Publicly Traded Securities & Fixed Income |                                                       |                  |                  |              | 29,717,760.34  | 26,108,170.98 | 3,609,589.36   |

\* (P) Purchase, (S) Spin-off/Split, (EX) Exchange, (M) Merge, (NC) Name Change, (D) Dividend

## Statement 15

## Part VIII, Line 1 - Officers, Directors, Trustees, Managers and Their Compensation:

| (A)<br>Name and Address                                                              | (B) Title and<br>Average Hours per Week<br>Devoted to Position            | (C)<br>Compensation | (D) Benefit and<br>Retirement<br>Plans | (E)<br>Expense<br>Account |
|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------|----------------------------------------|---------------------------|
| Franklin W. Denius<br>3500 Jefferson Street, Suite 315<br>Austin, Texas 78731        | Director,<br>President<br>35.00 Hours per week                            | 28,261              | 15,355                                 | 0                         |
| John C. Cain<br>102 W. Tyler<br>Athens, Texas 75751                                  | Director of Real Estate<br>Vice President<br>34.00 Hours per week         | 28,261              | 27,158                                 | 0                         |
| Charmaine D. McGill<br>4131 Spicewood Springs, #A-1<br>Austin, TX 78759              | Director, Vice President,<br>Grants Administrator<br>32.00 Hours per week | 74,048              | 23,725                                 | 0                         |
| F. Wofford Denius<br>4551 Glencoe Avenue, Suite 300<br>Marina del Rey, CA 90292-7925 | Director of Legal<br>Vice President<br>33.00 Hours per week               | 28,261              | 25,654                                 | 0                         |
| Lynn Fowler<br>4131 Spicewood Springs, #A-1<br>Austin, Texas 78759                   | Executive Director,<br>Secretary & Treasurer<br>42.31 Hours per week      | 183,355             | 49,532                                 | 0                         |
| Mary Bratz<br>4131 Spicewood Springs, #A-1<br>Austin, Texas 78759                    | Business Manager,<br>Assistant Secretary<br>40.00 Hours per week          | 59,048              | 29,458                                 | 0                         |
|                                                                                      |                                                                           | 401,235             | 170,882                                | 0                         |

Statement 16

Part XV, Supplementary Information.

Line 2a - Name and Address of the Person to Whom Applications Should be Addressed:

Mrs. Lynn Fowler, Executive Director  
The Cain Foundation  
4131 Spicewood Springs Road, Suite A-1  
Austin, Texas 78759  
Telephone (512) 346-7490  
FAX (512) 346-7491  
Email. info@cainfoundation.org

Line 2b - Application Form:

The Foundation does not accept unsolicited grant applications and no grants are made to or for the benefit of individuals.

Line 2c - Submission Deadlines.

There are no submission deadlines.

Line 2d - Restrictions or Limitations on Awards:

The Foundation does not accept unsolicited grant applications and no grants are made to or for the benefit of individuals.