Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

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

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

OMB No 1545-0052

2016

Open to Public Inspection

For calendar year 2016 or tax year beginning , and ending

Name of foundation
Gene Conley Foundation
Wells Fargo Bank, N.A. IFS Fiduciary Tax

A Employer identification number
75-2224430

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
1525 West WT Harris Blvd,MAC D1114-044

B Telephone number
336-747-8667

City or town, state or province, country, and ZIP or foreign postal code
Charlotte, NC 28288

C If exemption application is pending, check here ▶ ☐

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

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

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

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

I Fair market value of all assets at end of year *(from Part II, col (c), line 16)* ▶$ 8,318,882.74

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

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

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received			N/A	
	2 Check ▶ ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	125,682.21	125,682.21		Statement 1
	5a Gross rents	58,506.26	58,506.26		Statement 2
	b Net rental income or (loss) 53,716.31				Statement 3
	6a Net gain or (loss) from sale of assets not on line 10	169,856.05			
	b Gross sales price for all assets on line 6a 1,404,826.81				
	7 Capital gain net income (from Part IV, line 2)		169,856.05		
	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	168,055.12	168,055.12		Statement 4
	12 **Total.** Add lines 1 through 11	522,099.64	522,099.64		
Operating and Administrative Expenses	13 *Compensation of officers, directors, trustees, etc*	83,329.10	58,296.82		25,032.28
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees Stmt 5	14,300.00	7,865.00		6,435.00
	c Other professional fees				
	17 Interest				
	18 Taxes Stmt 6	30,440.72	26,138.08		0.00
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses Stmt 7	14,485.76	14,485.76		0.00
	24 **Total operating and administrative expenses.** Add lines 13 through 23	142,555.58	106,785.66		31,467.28
	25 Contributions, gifts, grants paid	500,000.00			500,000.00
	26 **Total expenses and disbursements** Add lines 24 and 25	642,555.58	106,785.66		531,467.28
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	<120,455.94>			
	b **Net investment income** (if negative, enter -0-)		415,313.98		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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Part II Balance Sheets

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

			Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1	Cash - non-interest-bearing	617.74	529.19	529.19
	2	Savings and temporary cash investments	1,153,387.11	177,240.61	177,240.61
	3	Accounts receivable ▶ 25,204.75			
		Less: allowance for doubtful accounts ▶	52,935.81	25,204.75	25,204.75
	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	3,000.00		
	10a	Investments - U.S. and state government obligations Stmt 8	51,896.10	261,958.14	255,356.20
	b	Investments - corporate stock Stmt 9	4,148,006.97	4,540,231.15	5,230,839.92
	c	Investments - corporate bonds Stmt 10	77,404.85	362,781.94	355,593.90
	11	Investments - land, buildings, and equipment: basis ▶ 401,100.40			
		Less accumulated depreciation Stmt 11 ▶ 175.00	400,925.40	400,925.40	1,529,812.22
	12	Investments - mortgage loans			
	13	Investments - other Stmt 12	34,023.00	34,023.00	744,304.95
	14	Land, buildings, and equipment: basis ▶			
		Less accumulated depreciation ▶			
	15	Other assets (describe ▶ Schedule 6)	1.00	1.00	1.00
	16	**Total assets** (to be completed by all filers - see the instructions. Also, see page 1, item I)	5,922,197.98	5,802,895.18	8,318,882.74
Liabilities	17	Accounts payable and accrued expenses		1,153.14	
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable			
	22	Other liabilities (describe ▶)			
	23	**Total liabilities** (add lines 17 through 22)	0.00	1,153.14	
Net Assets or Fund Balances		**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	1,091,276.98	1,091,276.98	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund	0.00	0.00	
	29	Retained earnings, accumulated income, endowment, or other funds	4,830,921.00	4,710,465.06	
	30	**Total net assets or fund balances**	5,922,197.98	5,801,742.04	
	31	**Total liabilities and net assets/fund balances**	5,922,197.98	5,802,895.18	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	5,922,197.98
2	Enter amount from Part I, line 27a	2	<120,455.94>
3	Other increases not included in line 2 (itemize) ▶	3	0.00
4	Add lines 1, 2, and 3	4	5,801,742.04
5	Decreases not included in line 2 (itemize) ▶	5	0.00
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	5,801,742.04

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse; or common stock, 200 shs MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	Schedule 3	P	Various	Various
b	Schedule 3	P	Various	Various
c	Capital Gains Dividends			
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	256,514.97		261,188.30	<4,673.33>
b	1,142,014.55		973,782.46	168,232.09
c	6,297.29			6,297.29
d				
e				

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

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				<4,673.33>
b				168,232.09
c				6,297.29
d				
e				

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7 } — 2 — 169,856.05

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):
If gain, also enter in Part I, line 8, column (c).
If (loss), enter -0- in Part I, line 8 — 3 — N/A

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2015	579,024.95	10,216,921.41	.056673
2014	506,419.42	12,254,282.08	.041326
2013	407,332.61	10,232,893.62	.039806
2012	370,011.52	8,022,308.78	.046123
2011	352,407.44	7,665,113.20	.045976

2	**Total** of line 1, column (d)	2	.229904
3	Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	.045981
4	Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	8,441,500.89
5	Multiply line 4 by line 3	5	388,148.65
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	4,153.14
7	Add lines 5 and 6	7	392,301.79
8	Enter qualifying distributions from Part XII, line 4	8	531,467.28

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1.				
Date of ruling or determination letter: ______ (attach copy of letter if necessary-see instructions)				
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ [X] and enter 1% of Part I, line 27b			1	4,153.14
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	0.00
3 Add lines 1 and 2			3	4,153.14
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			4	0.00
5 **Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-			5	4,153.14
6 Credits/Payments:				
a 2016 estimated tax payments and 2015 overpayment credited to 2016	6a	3,000.00		
b Exempt foreign organizations - tax withheld at source	6b			
c Tax paid with application for extension of time to file (Form 8868)	6c			
d Backup withholding erroneously withheld	6d			
7 Total credits and payments. Add lines 6a through 6d			7	3,000.00
8 Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached			8	
9 **Tax due** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	1,153.14
10 **Overpayment** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	
11 Enter the amount of line 10 to be: **Credited to 2017 estimated tax** ▶	Refunded ▶		11	

Part VII-A Statements Regarding Activities

		Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)?	1b		X
If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities			
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ $ 0.00 (2) On foundation managers. ▶ $ 0.00			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.00			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7 Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ TX			
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

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

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ Wells Fargo Bank, N.A., IFS Fiducia Telephone no. ▶ 336-747-8667
Located at ▶ 1525 West WT Harris Blvd, MAC D1114-044, Charlott ZIP+4 ▶ 28288

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** - Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 N/A

			Yes	No
16	At any time during calendar year 2016, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ▶			

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

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

			Yes	No
1a	*During the year did the foundation (either directly or indirectly):*			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☒ Yes ☐ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b		X
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2016?	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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? ☐ Yes ☒ No			
	If "Yes," list the years ▶ ____, ____, ____, ____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - *see instructions.*) N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ____, ____, ____, ____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2016 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 2016.)* N/A	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 2016?	4b		X

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions) ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? N/A | 5b |

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53 4945-5(d).

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | 6b | | X (No)

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

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? N/A | 7b |

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Schedule 10	0.00	77,729.10	0.00	0.00
Schedule 10	0.00	5,600.00	0.00	0.00

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

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

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

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

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over $50,000 for professional services ▶ 0

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 N/A	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments. See instructions	
3	
Total. Add lines 1 through 3 ▶	0.00

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	5,488,603.91
b	Average of monthly cash balances	1b	528,487.44
c	Fair market value of all other assets	1c	2,552,960.31
d	**Total** (add lines 1a, b, and c)	1d	8,570,051.66
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e: 0.00		
2	Acquisition indebtedness applicable to line 1 assets	2	0.00
3	Subtract line 2 from line 1d	3	8,570,051.66
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	128,550.77
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	8,441,500.89
6	**Minimum investment return** Enter 5% of line 5	6	422,075.04

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	422,075.04
2a	Tax on investment income for 2016 from Part VI, line 5 — 2a: 4,153.14		
b	Income tax for 2016. (This does not include the tax from Part VI.) — 2b:		
c	Add lines 2a and 2b	2c	4,153.14
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	417,921.90
4	Recoveries of amounts treated as qualifying distributions	4	0.00
5	Add lines 3 and 4	5	417,921.90
6	Deduction from distributable amount (see instructions)	6	0.00
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	417,921.90

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	531,467.28
b	Program-related investments - total from Part IX-B	1b	0.00
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	531,467.28
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	4,153.14
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	527,314.14

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				417,921.90
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only			453,804.81	
b Total for prior years: ____ , ____ , ____		0.00		
3 Excess distributions carryover, if any, to 2016:				
a From 2011				
b From 2012				
c From 2013				
d From 2014				
e From 2015				
f **Total** of lines 3a through e	0.00			
4 Qualifying distributions for 2016 from Part XII, line 4: ▶ $ 531,467.28				
a Applied to 2015, but not more than line 2a			453,804.81	
b Applied to undistributed income of prior years (Election required - see instructions)		0.00		
c Treated as distributions out of corpus (Election required - see instructions)	0.00			
d Applied to 2016 distributable amount				77,662.47
e Remaining amount distributed out of corpus	0.00			
5 Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.00			0.00
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.00			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.00		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.00		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.00		
e Undistributed income for 2015. Subtract line 4a from line 2a. Taxable amount - see instr.			0.00	
f Undistributed income for 2016. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2017				340,259.43
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	0.00			
8 Excess distributions carryover from 2011 not applied on line 5 or line 7	0.00			
9 **Excess distributions carryover to 2017** Subtract lines 7 and 8 from line 6a	0.00			
10 Analysis of line 9:				
a Excess from 2012				
b Excess from 2013				
c Excess from 2014				
d Excess from 2015				
e Excess from 2016				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2016, enter the date of the ruling ▶

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

	Tax year	Prior 3 years			
	(a) 2016	(b) 2015	(c) 2014	(d) 2013	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon: a "Assets" alternative test - enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 **Information Regarding Foundation Managers:**

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

None

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

None

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

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

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

See Statement 13

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient: Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
Schedule 5	None	Public	Various	500,000.00
Total			▶ 3a	500,000.00
b Approved for future payment				
None				
Total			▶ 3b	0.00

Part XVI-A **Analysis of Income-Producing Activities**

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	(b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	(d) Amount	(e) Related or exempt function income
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14		
4 Dividends and interest from securities			14	125,682.21	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property			16	53,716.31	
6 Net rental income or (loss) from personal property					
7 Other investment income			14	168,055.12	
8 Gain or (loss) from sales of assets other than inventory			18	169,856.05	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.00		517,309.69	0.00

13 Total Add line 12, columns (b), (d), and (e) 13 517,309.69

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

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

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

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

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

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

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

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

b If "Yes," complete the following schedule.

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

Sign Here

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

WELLS FARGO BANK, N.A.
BY STACEY ASHTON
ASST VICE PRES & TRUST OFFICER

5/15/17 AVP

Signature of officer or trustee | Date | Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Mac Cannedy	Mac Cannedy	5/11/17		P00123468

Firm's name ▶ Freemon, Shapard & Story | Firm's EIN ▶ 75-0706311

Firm's address ▶ 807 8th Street, 2nd Floor
Wichita Falls, TX 76301-3381 | Phone no. (940)322-4436

Form 990-PF Dividends and Interest from Securities Statement 1

Source	Gross Amount	Capital Gains Dividends	(a) Revenue Per Books	(b) Net Investment Income	(c) Adjusted Net Income
Schedule 2	131,979.50	6,297.29	125,682.21	125,682.21	
To Part I, line 4	131,979.50	6,297.29	125,682.21	125,682.21	

Gene Conley Foundation Wells Fargo Bank, 75-2224430

Form 990-PF	Rental Income	Statement 2

Kind and Location of Property	Activity Number	Gross Rental Income
Farm Rental - Hardeman County, TX	1	58,506.26
Total to Form 990-PF, Part I, line 5a		58,506.26

Form 990-PF	Rental Expenses	Statement 3

Description	Activity Number	Amount	Total
Farm rental - Ad valorem taxes		4,527.45	
Farm rental - Insurance		262.50	
Farm rental - Other		0.00	
- SubTotal -	1		4,789.95
Total rental expenses			4,789.95
Net rental Income to Form 990-PF, Part I, line 5b			53,716.31

Form 990-PF | Other Income | Statement 4

Description	(a) Revenue Per Books	(b) Net Investment Income	(c) Adjusted Net Income
Gross oil & gas royalties - Hardeman County, Tx	162,496.40	162,496.40	
Other income	5,558.72	5,558.72	
Total to Form 990-PF, Part I, line 11	168,055.12	168,055.12	

Form 990-PF	Accounting Fees	Statement 5

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Accounting fees - Tax return preparation	7,865.00	7,865.00		0.00
Accounting fees - Charitable distribution planning	6,435.00	0.00		6,435.00
To Form 990-PF, Pg 1, ln 16b	14,300.00	7,865.00		6,435.00

Form 990-PF	Taxes	Statement 6

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Federal excise	4,153.14	0.00		0.00
Royalties - Gross production	7,463.92	7,463.92		0.00
Royalties - Ad valorem	11,000.94	11,000.94		0.00
Foreign	3,295.27	3,295.27		0.00
Farm Rental - Ad valorem	4,527.45	4,377.95		0.00
To Form 990-PF, Pg 1, ln 18	30,440.72	26,138.08		0.00

Form 990-PF	Other Expenses	Statement 7

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Farm rental - Insurance	262.50	262.50		0.00
Royalty - Other	14,191.29	14,191.29		0.00
Miscellaneous	31.97	31.97		0.00
To Form 990-PF, Pg 1, ln 23	14,485.76	14,485.76		0.00

Form 990-PF U.S. and State/City Government Obligations Statement 8

Description	U.S. Gov't	Other Gov't	Book Value	Fair Market Value
Schedule 6	X		261,958.14	255,356.20
Total U.S. Government Obligations			261,958.14	255,356.20
Total State and Municipal Government Obligations				
Total to Form 990-PF, Part II, line 10a			261,958.14	255,356.20

Form 990-PF	Corporate Stock	Statement 9

Description	Book Value	Fair Market Value
Schedule 6	4,540,231.15	5,230,839.92
Total to Form 990-PF, Part II, line 10b	4,540,231.15	5,230,839.92

Form 990-PF	Corporate Bonds	Statement 10

Description	Book Value	Fair Market Value
Schedule 6	362,781.94	355,593.90
Total to Form 990-PF, Part II, line 10c	362,781.94	355,593.90

Form 990-PF Depreciation of Assets Held for Investment Statement 11

Description	Cost or Other Basis	Accumulated Depreciation	Book Value
Land & Improvements	400,925.40	0.00	400,925.40
Stock Tank	175.00	175.00	0.00
Total to Fm 990-PF, Part II, ln 11	401,100.40	175.00	400,925.40

Gene Conley Foundation Wells Fargo Bank, 75-2224430

Form 990-PF	Other Investments		Statement 12
Description	Valuation Method	Book Value	Fair Market Value
Schedule 6	FMV	34,023.00	744,304.95
Total to Form 990-PF, Part II, line 13		34,023.00	744,304.95

Form 990-PF | Grant Application Submission Information Part XV, Lines 2a through 2d | Statement 13

Name and Address of Person to Whom Applications Should be Submitted

Stacey Ashton, Wells Fargo Bank, N.A.
1525 West WT Harris Blvd, MAC D1114-044
Charlotte, NC 28288

Form and Content of Applications

See copy of grant application attached as Exhibit 13A to this statement or can be submitted online via Wells Fargo.

Any Submission Deadlines

Annually by May 1; Awards granted mid-year.

Restrictions and Limitations on Awards

The purpose of each grant must preferably serve a substantial constituency of North Texas. Each grant must be used to render services primarily for medical care, general care, the arts, or science education of persons age 18 or younger, preferably for direct client services.

2016 DEPRECIATION AND AMORTIZATION REPORT

Farm Rental - Hardeman County, TX RENT 1

Asset No	Description	Date Acquired	Method	Life	Conv	Line No	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	* Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
1	Land & Improvements	03/16/87	L				400,925.40				400,925.40			0.00	
2	Stock Tank	11/21/89	200DB	7.00	HY	17	175.00				175.00	175.00		0.00	175.00
	* Total 990-PF Rental Depr						401,100.40				401,100.40	175.00		0.00	175.00

(D) - Asset disposed

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

Schedule 1

REVENUE AND EXPENSES

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2016

REVENUE			
Dividends and interest from securities - Sch 2			$ 125,682 21
Gross rents· Farm Rental - Hardeman County, Texas			58,506 26
Less Ad valorem taxes	$ 4,527 45		
Insurance	262 50	$ 4,789 95	
Net rental income		$ 53,716 31	
Net gain (loss) from sale of assets - Sch 3			169,856 05
Other income			
Gross oil & gas royalties - Hardeman County, Texas - Sch 4		$ 162,496.40	
Other income		5,558 72	
From partnerships·			
Graham Alternative Investment Fund			168,055 12
Total revenue			$ 522,099 64
EXPENSES			
Compensation of officers and directors - Sch 10		$ 83,329.10	
Accounting fees		14,300 00	
Taxes			
Excise	$ 4,153 14		
Royalties - gross production	7,463 92		
Royalties - ad valorem	11,000 94		
Foreign	3,295 27		
Farm rental - ad valorem	4,527 45	30,440 72	
Other			
Farm rental - insurance	$ 262 50		
Royalty - Other	14,191 29		
Miscellaneous	31 97		
Grants expense			
From partnerships			
Graham Alternative Investment Fund		14,485 76	
Contributions - Sch 5		500,000 00	642,555 58
Excess of revenues over expenses			$ (120,455 94)

Schedule 2

DIVIDENDS AND INTEREST FROM SECURITIES

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2016

	Totals	Ordinary Income	Long Term Capital Gain Distributions
DIVIDENDS			
Aberdeen Emerg Markets	$ 2,824 97	$ 2,824 97	$
Ameriprise Financial	691 80	691 80	
Amex Health Care Spdr	608 39	608 39	
Apple Computer	1,612 28	1,612 28	
Artio Global High Income	9,088 40	9,088 40	
Artisan International Fund	2,094 61	2,094 61	
Blackrock	558 76	558 76	
Boeing	1,440 98	1,440 98	
CVS/Caremark	724 20	724 20	
Celanese Corp	698 28	698 28	
Cisco Systems	1,458 27	1,458 27	
Citigroup	301 32	301 32	
CME Group	1,906 50	1,906 50	
Comcast	734 24	734 24	
Cummins	812 19	812 19	
Diago PLC	656 13	656 13	
Disney Walt	504 81	504 81	
Eaton Vance Global	894 63	894 63	
Eli Lilly	109 65	109 65	
Federated Treas Obl Fund	939 33	939 33	
Fid Adv Emer Mkts	1,949 59	1,289 12	660 47
GAI Corbin Multistrategy Fund	3,047 15	3,047 15	
GAI Agility Income Fund	12,707 93	12,707 93	
Gilead Sciences	443 44	443 44	
Goldman Sachs Group	139 10	139 10	
HSBC - ADR	612 15	612 15	
Inv Balance Risk Comm	4,916 05	4,916 05	
Ishares Barclays Aggregate Bond Fund	1,163 93	1,163 93	
Ishares Barclays MBS Bond Fund	708 37	636 97	71 40
Ishares Dow Jones Select Dividend	1,390 28	1,390 28	
Ishares Iboxx Inv Gr Corp Bd Fd	1,730 82	1,730 82	
Ishares MSCI Eafe	4,229 21	4,229 21	
Ishares Russell 2000	3,522 33	3,522 33	
JP Morgan Chase & Co	1,209 56	1,209 56	
JP Morgan US L/C Core Plus	3,102 30	220 92	2,881 38
Johnson Controls	287 10	287 10	
Las Vegas Sands	1,567 44	1,567 44	
Manulife Financial Corp	1,058 94	1,058 94	
McKesson	198 24	198 24	
Merck & Co New	611 80	611 80	
Merger Fd Sh Ben Int	619 05	619 05	
Microsoft Corp	1,519 41	1,519 41	
Monsanto Co New	768 96	768 96	
Nestle SA Registered Shares Adr	730 71	730 71	
Oakmark Intl Fund	3,251 84	3,251 84	
Oracle	183 00	183 00	
PNC Financial Services	692 95	692 95	
Pimco Foreign Bond Fund	1,413 11	1,413 11	
Principal GL Mult Strat Inst	186 55	186 55	
Principal MidCap	1,611 60	263 47	1,348 13
Proceeds from Security Litigation	225 22		225 22
Roche Holdings	833 60	833 60	
Schlumberger Ltd	902 00	902 00	
Spdr DJ Wilshire International Real	4,525 86	4,525 86	
Spdr S&P Midcap 400 ETF Trust	4,930 40	4,930 40	
Suncor Energy	1,174 92	1,174 92	
TJX Cos Inc New	298 05	298 05	
Target Corp	937 28	937 28	
Templeton Global Bond Fund	458 22	458 22	
TE Connectivity	116 55	116 55	

	Totals	Ordinary Income	Long Term Capital Gain Distributions
Total Fina Elf SA Adr	1,710 44	1,710 44	
T Rowe Price Short Term Bond Fund	3,101 59	3,101 59	
T Rowe Price Inst Float Rate	4,977 88	4,977 88	
Thermo Fisher Scientific	118 80	118 80	
Union Pacific	1,039 56	1,039 56	
United Healthgroup	855 00	855 00	
United Parcel Service	702 00	702 00	
Vanguard Inflat - Prot Secs Adm	1,381 67	1,298 30	83 37
Vanguard Reit Viper	5,322 07	4,294 75	1,027 32
Totals - Dividends	$117,843 76	$111,546 47	$ 6,297 29
INTEREST			
Corporate interest			
Amgen Inc	$ 191 59	$ 191 59	$
Apple	213 00	213 00	
Bank of America	213 29	213 29	
Berkshire Hathaway	506 25	506 25	
Caterpillar Fin Serv	4,387 50	4,387 50	
Chevron	315 56	315 56	
ConocoPhillips	328 55	328 55	
Dow Chemical	258 95	258 95	
General Electric Cap Cor	434 81	434 81	
Goldman Sachs Group	270 25	270 25	
Halliburton	176 45	176 45	
Home Depot	94 16	94 16	
JP Morgan Chase & Co	345 32	345 32	
Kinder Morgan	224 79	224 79	
Metlife	190 00	190 00	
Novartis	192 50	192 50	
Pepsico	196 90	196 90	
Procter & Gamble	136 85	136 85	
Time Warner	111 74	111 74	
United Technologies	208 40	208 40	
Wal-Mart Stores	148 01	148 01	
Wellpoint Inc	81 57	81 57	
Totals - Corporate interest	$ 9,226 44	$ 9,226 44	$
U S government interest			
Federal National Mortgage Assn	$ 1,250 00	$ 1,250 00	$
Federal National Mortgage Assn	343 46	343 46	
Federal Home Loan Mtg Corp	571 90	571 90	
Federal Home Loan Mtg Corp	136 46	136 46	
US Treasury Note 2 125%	330 94	330 94	
US Treasury Note 3 50%	334 14	334 14	
US Treasury Note 3 125%	688 11	688 11	
US Treasury Note 2 750%	414 76	414 76	
US Treasury Note 2 625%	200 48	200 48	
US Treasury Note 2 250%	462 91	462 91	
US Treasury Note 2 500%	176 14	176 14	
Totals - U S government interest	$ 4,909 30	$ 4,909 30	$
Other interest from partnerships			
None	$	$	$
Totals - Partnership interest	$	$	$
Totals - Interest	$ 14,135 74	$ 14,135 74	$
Totals - Dividends and interest	$131,979 50	$125,682 21	$ 6,297 29

Schedule 3

NET GAIN OR LOSS FROM SALE OF ASSETS

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2016

Description	Face/ Shares	Date Acquired	Date Sold	Sales Price	Cost or Basis	Gain/ (Loss)
Short term						
Apple Computer	30 00	06/18/15	03/04/16	$ 3,085 66	$ 3,819 60	$ (733 94)
Boeing	40 00	12/18/15	10/03/16	5,249 13	5,603 90	(354 77)
Fed Home Ln Mtg Assn 1 250%	15,000 00	03/23/16	12/15/16	15,030 92	15,083 14	(52 22)
Ishares Russell 2000	1,700 00	12/29/15	05/10/16	190,501 42	195,017 54	(4,516.12)
JP Morgan Chase	145 00	03/04/16	09/30/16	9,656 77	8,673 15	983 62
TJX Cos Inc New	38.00	06/08/15	03/04/16	2,865 68	2,552 69	312 99
US Treasury Note 2 75%	30,000 00	03/23/16	09/28/16	30,125 39	30,438 28	(312 89)
Total - Short Term				$ 256,514 97	$ 261,188 30	$ (4,673 33)
Long term						
Berkshire Hathaway	195 00	various	10/03/16	$ 28,023 37	$ 16,850 44	$ 11,172 93
Boeing	10 00	08/07/14	10/03/16	1,312 28	1,196 62	115 66
CME Group	135 00	various	09/30/16	14,115 36	7,299 18	6,816 18
Cummins	110 00	various	10/03/16	14,016 29	15,142 08	(1,125 79)
Cummins	163 00	various	11/07/16	21,163 92	21,708 70	(544 78)
Walt Disney	135 00	various	03/04/16	13,226 46	2,999 46	10,227 00
Fed Natl Mtg Assn 5 00%	50,000 00	08/27/08	03/15/16	50,000 00	51,896 10	(1,896 10)
Goldman Sachs Group	107 00	02/28/12	06/17/16	15,619 63	12,493 28	3,126 35
HSBC - ADR	583 00	various	03/04/16	18,808 86	30,866 94	(12,058 08)
Ishares Barclays Aggregate Bond Fund	2,595 00	various	03/14/16	284,266 97	271,712 72	12,554 25
Ishares Iboxx Inv Gr	2,575 00	various	03/14/16	299,363 23	271,624 80	27,738 43
JPMorgan Chase & Co	35 00	04/16/10	09/30/16	2,330 95	1,616 59	714 36
Johnson Controls	495 00	various	04/28/16	20,734 56	15,689 20	5,045 36
Monsanto	356 00	various	12/15/16	37,525 89	38,168 25	(642 36)
Nestle SA Registered Shares Adr	315 00	07/08/09	04/28/16	23,415 08	11,856 60	11,558 48
Oracle	610 00	02/28/12	04/28/16	24,515 69	17,786 99	6,728 70
SPDR S&P Midcap 400 ETF Trust	400 00	07/08/09	08/18/16	113,621 56	39,434 24	74,187 32
TJX Cos Inc New	132 00	02/28/12	03/04/16	9,954 45	4,868 15	5,086 30
Templeton Global Bond Fund	107 07	11/21/07	10/19/16	1,233 47	1,250 59	(17 12)
Templeton Global Bond Fund	13,020 83	various	10/19/16	148,766 53	139,321 53	9,445 00
Capital gain distributions - Sch 2						6,297 29
Totals - Long term				$1,142,014 55	$ 973,782 46	$ 174,529 38
Totals - Combined				$1,398,529 52	$ 1,234,970 76	$ 169,856 05

Schedule 4

OTHER INCOME - OIL & GAS ROYALTIES

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2016

Lease	Income: Gross Sales	Expenses: Gross Production Taxes	Expenses: Other Taxes and Fees	Expenses: Total	Net Income
C G Conley	$ 112,433 96	$ 5,162 59	$ 17,909 70	$ 23,072 29	$ 89,361 67
C G Conley A	15,967 28	729 58	2,612 07	3,341 65	12,625 63
C G Conley D	6,786 15	310 85	995 32	1,306 17	5,479 98
C G Conley B	2,488 04	114 94	366 56	481 50	2,006 54
Ms Betty	24,820 97	1,145 96	3,308 58	4,454 54	20,366 43
Lease bonus					
Totals	$ 162,496 40	$ 7,463 92	$ 25,192 23	$ 32,656 15	$ 129,840 25

Schedule 4A

COST DEPLETION

GENE CONLEY FOUNDATION - TIN 75-6032988

Year 2016

Lease	Basis: Balance 01-01-16	Basis: Acquired (Retired)	Basis: Balance 12-31-16	Accumulated Depletion: Reserve 01-01-16	Accumulated Depletion: Cost	Accumulated Depletion: Credits	Accumulated Depletion: Reserve 12-31-16
C G Conley	$ 97,153 92	$	$ 97,153 92	$ 97,153 92	$	$	$ 97,153 92
C G Conley A	8,307 72		8,307 72	8,307 72			8,307 72
C G Conley D	3,165 12		3,165 12	3,165 12			3,165 12
C G Conley B	3,944 16		3,944 16	3,944 16			3,944 16
Ms Betty #3	8,550 00		8,550 00	8,550 00			8,550 00
Totals	$ 121,120 92	$	$ 121,120 92	$ 121,120 92	$	$	$ 121,120 92

Schedule 5

CONTRIBUTIONS

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2016

Name and Address	Purpose	Amount
American Red Cross North Central Texas 1809 5th Street Wichita Falls, Texas 76301	Youth Disaster Recovery Project	$ 20,000 00
Texas Scottish Rite Hospital for Children - Dallas 2222 Welborn Street Dallas, TX 75219	Learn to Golf Program	15,000 00
ARC of Wichita County 3115 Buchanan Wichita Falls, TX 76308	Camp Noah	4,500 00
Arts Council Wichita Falls Area 1300 Lamar St Wichita Falls, TX 76301	Art Studio Saturday	5,000 00
Big Brothers Big Sisters Lone Star 1101 Scott Ave Suite 24 Wichita Falls, TX 76301	Volunteer awareness and recruitment campaign	6,000 00
Boy Scouts of America - Northwest Texas Council 3604 Maplewood Wichita Falls, TX 76308	Fall School Recruitment Program & Lion Cub Program	55,000 00
Boys & Girls Clubs of Burkburnett 800 County Road Burkburnett, Texas 76354	Program Support	20,000 00
Boys & Girls Clubs of Wichita Falls, Inc 1318 Sixth Street Wichita Falls, TX 76301	Teen Court Truancy Intervention	10,000 00
Camp Fire USA - North Texas Council 2414 9th Street Wichita Falls, TX 76301	Special Services After School Program	25,000 00
Child Advocates Casa of Red River 808 Austin St Wichita Falls, TX 76301	Outreach Expansion Program Support	20,000 00
Child Care, Inc 1000 Lamar Street, Suite 432 Wichita Falls, TX 76301	Programming Support	30,000 00
Christ Home Place Ministries, Inc 1420 Twin Oaks St Wichita Falls, TX 76302	Children's Play Therapy Program and Benevolence Subsidy	5,000 00
Habitat for Humanity of Wichita Falls 1206 Lamar Streeet Wichita Falls, TX 76301	Carrigan House Program Support	5,000 00
Hardeman County Memorial Hospital Foundation P O Box 90 Quanah, TX 79252-0090	Pediatric Sensory Room, PED Room Equipment	20,000 00
Hardeman County Museum & Historical Society P O Box 445 Quanah, TX 79252-0445	Building Repairs	12,000 00
Inheritance Adoptions 1007 11th Street Wichita Falls, TX 76301	Birth Parent Program	7,500 00
Leadership Wichita Falls, Inc 2301 Kell Blvd #218 Wichita Falls, TX 76308	Youth Leadership	5,000 00
Nonprofit Management Center of Wichita Falls 2301 Kell Blvd Suite 218 Wichita Falls, TX 76308	Teens Make a Difference Day Volunteerism Project for Teenagers	5,000 00

Name and Address	Purpose	Amount
Patsy's House Children's Advocacy Center 1411 10th Street Wichita Falls, Tx 76301	Victim Services	12,000 00
Pease River Cowboy Church P O Box 35 US-287 Quanah, TX 79252	Children's Play Area	20,884 00
Presbyterian Children's Homes & Services 4015 Lake Park Drive Wichita Falls, TX 76302	Foster Care and Adoption Program	10,000 00
Project Back to School PO Box 9700 Wichita Falls, TX 76308	School Supplies for Disadvantaged Children	10,000 00
Q-School 560 Lake Pauline Road Quanah, TX 79252	Tutoring for elementary children	15,000 00
Red River Valley Museum Vernon 4600 College Drive Vernon, TX 76384	Gallery Redesign and General Operating	10,000 00
Salvation Army 2900 Seymour Hwy Wichita Falls, TX 76310	Summer Youth & Music Conservatory Camp	6,970 00
Texoma Batterers Intervention & Prevention Program, Inc PO Box 1404 Vernon, TX 76385	Operating Support	7,500 00
Texoma Mother & Unborn Baby Care, Inc PO Box 2364 Wichita Falls, TX 76307	General Programming Support	7,500 00
Three Rivers Foundation for Arts and Sciences P O Box 79 Crowell, TX 79227	Earth, Environment, Space Sciences Programs	30,000 00
Vernon Regional Junior College 4400 College Drive Vernon, TX 76384	New Beginnings Programs to provide Child Care for Economically Disadvan- taged Parents pursuing workforce training	25,000 00
Whispers of Hope Horse Farm 3545 Parkhill Rd #1 Wichita Falls, TX 76310	Equipment and Camp	25,000 00
Wichita Falls Area Food Bank 1230 Midwestern Parkway Wichita Falls, TX 76302	PowerPak 4 Kids BackPack Program	20,000 00
Wichita Falls Faith Mission, Inc PO Box 965 Wichita Falls, TX 76307	Social Services Project Support	20,000 00
Wichita Falls Symphony Orchestra 1300 Lamar Street Wichta Falls, Texas 76301	School Concerts	3,000 00
Wichita Falls Youth Symphony Orchestra 1300 Lamar Wichita Falls, TX 76301	YSO Apprentice Program	1,000 00
4 Kidz Sake of Wichita Falls 919 Indiana Ave Wichita Falls, TX 76301	Acting Out Project Support	6,146 00
Total		$ 500,000 00

Note
Foundation Status of recipients
All are 501(c)(3) public charities except Three Rivers Foundation
which is a private operating foundation

Schedule 6

BALANCE SHEETS

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2016

		Cost	Current Value
ASSETS			
Cash - non-interest bearing		$ 529 19	$ 529 19
Savings and temporary cash investments			
Wells Fargo Cash Money Market		177,240.61	177,240 61
Accounts receivable		16,360 79	16,360 79
Accounts receivable - Excise tax		8,843.96	8,843 96
Prepaid excise tax			
Investments - Securities			
U. S & state government obligations - Sch 7	$ 261,958 14		255,356.20
Corporate stocks and mutual funds - Sch. 8	4,540,231.15		5,230,839 92
Corporate bonds - Sch 9	362,781 94	5,164,971.23	355,593 90
Investments - Land, buildings and equipment.			
Land & improvements	$ 400,925.40		
Stock tank	175 00		
Less· Accumulated depreciation	(175 00)	400,925.40	1,529,812 22
Investments - Other			
Nonproducing mineral leaseholds	$ 34,023 00		13 00
Producing mineral leaseholds	121,120 92		
Less Accumulated depletion	(121,120 92)	34,023 00	744,291 95
Other assets			
1/2 interest - 2 Cemetery lots		1 00	1 00
Accrued income			
Total assets		$ 5,802,895 18	$ 8,318,882 74
LIABILITIES AND EQUITY			
Liabilities			
Accounts Payable - Excise tax		$ 1,153 14	
Equity			
Principal fund	$ 1,091,276 98		
Retained earnings	4,710,465 06	5,801,742 04	
Total liabilities and equity		$ 5,802,895 18	

Schedule 7

INVESTMENT IN BONDS

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2016

	Rate	Maturity Date	Par Value	Cost	Current Value
U S and State Government Obligations					
Fed Home Ln Mtg Corp	3.750%	3/27/2019	$ 30,000.00	$ 32,338 68	$ 31,603 20
Federal National Mtg. Assn.	2.625%	9/6/2024	30,000.00	31,420 43	30,290.40
U. S Treasury Note	2.000%	11/15/2026	15,000 00	14,248 24	14,432.25
U. S Treasury Note	2.125%	9/30/2021	30,000 00	31,013.66	30,266 10
U. S Treasury Note	2.250%	11/30/2017	30,000 00	30,707 83	30,368.10
U. S Treasury Note	2.500%	5/15/2024	35,000.00	37,613 48	35,523 60
U. S Treasury Note	2.625%	8/15/2020	20,000.00	21,115 63	20,679 60
U. S Treasury Note	3.125%	5/15/2019	35,000 00	37,253.11	36,491 70
U. S Treasury Note	3.500%	2/15/2018	25,000 00	26,247.08	25,701 25
Totals - U S and State Government Obligations			$ 250,000 00	$ 261,958 14	$ 255,356 20

Schedule 8

INVESTMENT IN MUTUAL FUNDS AND CORPORATE STOCK

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2016

	Shares	Cost	Current Value
Corporate stock			
Comcast	683	$ 10,429 20	$ 47,161 15
Las Vegas Sands	588	34,025 24	31,405 08
Target	404	17,930 67	29,180 92
TJX Cos Inc New	265	9,773 18	19,909 45
Walt Disney	288	6,398 84	30,015 36
CVS Health Corp	426	13,007 55	33,615 66
Hain Celestial	445	18,050 31	17,368 35
Affiliated Managers Group	220	27,338 70	31,966 00
Ameriprise Financial	305	34,447 41	33,836 70
Berkshire Hathaway	141	11,158 74	22,980 18
Blackrock	61	18,990 88	23,212 94
Citigroup	801	39,859 78	47,603 43
CME Group	240	12,869 38	27,684 00
JPMorgan Chase & Co	594	23,272 48	51,256 26
PNC Financial	375	35,644 91	43,860 00
Eli Lilly	280	21,993 86	20,594 00
Gilead Sciences	241	5,583 97	17,258 01
Health Care Select Sector Spdr	700	50,595 16	48,258 00
McKesson	177	18,609 42	24,859 65
Merck & Co	515	27,617 71	30,318 05
Thermo Fisher Scientific	198	12,021 61	27,937 80
Unitedhealth Group	360	9,966 69	57,614 40
Boeing	293	25,016 39	45,614 24
Spirit Aerosystems	465	21,024 84	27,132 75
Union Pacific	461	28,757 63	47,796 48
United Parcel Service	225	17,275 48	25,794 00
Alphabet Inc Cl C	66	28,951 46	50,940 12
Apple	746	25,644 42	86,401 72
Cisco Systems	1,573	32,206 39	47,536 06
Cognizant Tech Solutions	710	38,679 95	39,781 30
Microsoft	1,123	44,065 30	69,783 22
Celenase	506	26,746 31	39,842 44
Bayer Ag-Adr	185	18,883 15	19,291 80
Diageo PLC	235	16,690 71	24,425 90
Eaton Corp PLC	333	14,849 91	22,340 97
Manulife Financial	2,060	29,713 27	36,709 20

	Shares	Cost	Current Value
Roche Holdings Ltd	1,209	40,204 57	34,492 77
Schlumberger Ltd	486	37,516 03	40,799 70
Suncor Energy	1,340	36,056 97	43,804 60
TE Connectivity Ltd	315	20,351 21	21,823 20
Total SA - Adr	630	29,789 18	32,111 10
Totals - Corporate Stocks		$ 992,008 86	$ 1,474,316 96
Mutual Funds			
Aberdeen Global High Income	19,868	$ 207,511 31	$ 162,913 91
Ishares MBS ETF	300	32,739 00	31,902 00
T Rowe Price Institutional Float	11,466	115,000 00	115,573 28
TRowe Price Short Term Bond Fund	53,168	254,670 12	250,420 84
Vanguard Inflation Protected	2,424	64,239 24	61,752 44
Fidelity Advisors Emerging Markets	8,578	120,000 00	115,796 99
Pimco Foreign Bond Fund	9,141	99,109 01	84,186 47
Templeton Global Bond Fund	13,522	161,049 31	161,724 58
GAI Agility Income Fund	256	265,000 00	257,569 36
Ishares Russell 2000 ETF	1,600	183,545 92	215,760 00
Ishares Select Dividend ETF	1,000	82,763 70	88,570 00
JP Morgan US Large Cap Core Plus S	2,333	60,000 00	65,598 76
Principal Midcap Fund Class In	2,876	60,000 00	64,688 39
SPDR S&P Midcap 400 ETF Trust	1,082	111,136 96	326,471 86
Aberdeen Emerging Markets	15,514	225,035 00	194,858 39
Artisan International Fund	5,418	110,660 07	139,514 30
Ishares MSCI Eafe	2,235	121,524 37	129,026 55
Oakmark Funds - The Oakmark Intl Fund	8,263	155,086 11	187,561 45
GAI Corbin Multi Strategy Fund	2,007	217,577 12	206,459 73
Boston Partners Long/Short Research Fund	7,921	125,000 00	122,385 94
Eaton Vance Global Macro Absolute	7,222	64,632 58	65,288 89
Principal Global Multi-Strategy Fund	11,306	120,000 00	123,349 39
Merger Fund Sh Ben Int	4,455	70,000 00	69,327 21
E-Tracs Alerian MLP Infrastructure	2,755	107,381 64	78,269 55
Invesco Balanced Risk Commodity Fund	26,445	180,000 00	179,294 52
Spdr DJ Wilshire International Real Estate	1,390	46,441 34	50,151 20
Vanguard Reit Viper	1,825	124,559 49	150,617 25
Totals - Mutual Funds		$ 3,484,662 29	$ 3,699,033 25
Partnership investments			
Graham Alternative Investment Fund		$ 63,560 00	$ 57,489 71
		$ 63,560 00	$ 57,489 71
Totals - Combined		$ 4,540,231 15	$ 5,230,839 92

Schedule 9

INVESTMENT IN BONDS

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2016

	Rate	Maturity Date	Par Value	Cost	Current Value
Coporate Bonds.					
Amgen	5.700%	2/1/2019	$ 10,000 00	$ 11,082 40	$ 10,748 10
Apple	2 400%	5/3/2023	15,000 00	14,994 00	14,605 80
Bank of America	5 625%	7/1/2020	15,000 00	16,791 30	16,493 25
Berkshire Hathaway	5 400%	5/15/2018	15,000.00	16,303 20	15,786 60
Caterpillar Fin Serv	5 850%	9/1/2017	75,000 00	77,404 85	77,191 50
Chevron	4 950%	3/3/2019	15,000 00	16,525 20	16,028 55
Conocophilips	5 750%	2/1/2019	17,000.00	18,340 96	18,264 29
Dow Chemical	4 125%	11/15/2021	10,000 00	10,896 50	10,566 30
General Electric	4 650%	10/17/2021	17,000 00	19,336 16	18,647 98
Goldman Sachs Group	5 950%	1/18/2018	15,000.00	16,085 85	15,626 10
Halliburton	3.500%	8/1/2023	15,000 00	15,238 50	15,231 15
Home Depot	3 000%	4/1/2026	10,000 00	10,462 60	9,980 80
JPMorgan Chase & Co	4 250%	10/15/2020	15,000 00	16,228 20	15,873 60
Kinder Morgan Ener	5 950%	2/15/2018	10,000 00	10,543 30	10,431 20
Metlife	3 600%	4/10/2024	10,000 00	10,439 00	10,265 30
Novartis	3 000%	11/20/2025	10,000 00	10,392 60	9,929.80
Pepsico	4 500%	1/15/2020	15,000 00	16,657 05	16,140 75
Procter & Gamble	2 300%	2/6/2022	17,000 00	17,386 07	17,033 83
Time Warner	4 875%	3/15/2020	5,000 00	5,468 95	5,337 35
United Technologies	3.100%	6/1/2022	10,000 00	10,527 50	10,278 40
Walmart Stores	3 625%	7/8/2020	15,000 00	16,293 30	15,856 35
Wellpoint	4 350%	8/15/2020	5,000 00	5,384 45	5,276 90
Totals - Corporate Bonds			$ 341,000 00	$ 362,781 94	$ 355,593 90

Schedule 10

LIST OF OFFICERS, DIRECTORS, TRUSTEES, FOUNDATION MANAGERS
AND THEIR COMPENSATION

GENE CONLEY FOUNDATION - TIN 75-2224430

Year 2016

Name and Address	Title & Average Hours Devoted to Position	Compensation
Wells Fargo Bank, N A 2301 Kell Boulevard Wichita Falls, Texas 76308	Trustee See note below	$ 77,729 10
Mac Cannedy 2301 Kell Boulevard Wichita Falls, Texas 76308	Advisory Board Member 10-20 Hrs/Yr	700 00
Mike Elyea 2301 Kell Boulevard Wichita Falls, Texas 76308	Advisory Board Member 10-20 Hrs/Yr	700 00
Steven McSpadden 2301 Kell Boulevard Wichita Falls, Texas 76308	Advisory Board Member 10-20 Hrs/Yr	700 00
Terry Pence 2301 Kell Boulevard Wichita Falls, Texas 76308	Advisory Board Member 10-20 Hrs/Yr	700 00
Barry Plaxco 2301 Kell Boulevard Wichita Falls, Texas 76308	Advisory Board Member 10-20 Hrs/Yr	700 00
Rhonda Poirot 2301 Kell Boulevard Wichita Falls, Texas 76308	Advisory Board Member 10-20 Hrs/Yr	700 00
David Ramsey 2301 Kell Boulevard Wichita Falls, Texas 76308	Advisory Board Member 10-20 Hrs/Yr	700 00
Chris Travelstead 2301 Kell Boulevard Wichita Falls, Texas 76308	Advisory Board Member 10-20 Hrs/Yr	700 00
Total		$ 83,329 10

Note

The compensation reported in column (c) is calculated based on periodic market values and/or the applicable fee agreement It is not determined solely on an hourly basis Corporate Trustee services include, but are not limited to, administrative services such as fiduciary accounting, custody of assets, complying with tax filing requirements, complying with distribution provisions, and complying with federal and state laws applicable to private foundations, plus asset management services such as creating asset allocation strategies, invesment reporting and reallocating and rebalancing of portfolios as necessary