

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

2018

Department of the Treasury
Internal Revenue Service

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▶ Go to www.irs.gov/Form990PF for instructions and the latest information.

Open to Public Inspection

For calendar year 2018 or tax year beginning 12/01, 2018, and ending 11/30, 2019

M. G. & LILLIE A. JOHNSON
FOUNDATION, INC.
P. O. BOX 2269
VICTORIA, TX 77902-2269

A Employer identification number
74-6076961

B Telephone number (see instructions)
(361) 575-7970

C If exemption application is pending, check here

D 1 Foreign organizations, check here

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

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

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

G Check all that apply:

<input type="checkbox"/> Initial return	<input type="checkbox"/> Initial return of a former public charity
<input type="checkbox"/> Final return	<input type="checkbox"/> Amended return
<input type="checkbox"/> Address change	<input type="checkbox"/> Name change

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

I Fair market value of all assets at end of year (from Part II, column (c), line 16)
\$ 172,452,067.

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

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule) . . .				
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments			N/A	
	4 Dividends and interest from securities	3,433,837.	3,433,837.		
	5a Gross rents	71,900.	71,900.		
	b Net rental income or (loss)	71,900.			
	6a Net gain or (loss) from sale of assets not on line 10	1,568,743.			
	b Gross sales price for all assets on line 6a	1,568,743.			
	7 Capital gain net income (from Part IV, line 2)		1,568,743.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)	SEE STATEMENT 1	10,139,445.	10,139,445.		
12 Total. Add lines 1 through 11		15,213,925.	15,213,925.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	260,947.	249,447.		11,500.
	14 Other employee salaries and wages	21,900.			21,900.
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch)	SEE ST. 2	13,610.		13,610.
	c Other professional fees (attach sch)	SEE ST. 3	298,727.	298,727.	
	17 Interest				
	18 Taxes (attach schedule)(see instrs)	SEE ST. 4	780,671.	640,907.	
	19 Depreciation (attach schedule) and depletion		524.	524.	
	20 Occupancy	21,625.	21,625.		
21 Travel, conferences, and meetings	8,865.			8,865.	
22 Printing and publications					
23 Other expenses (attach schedule)	SEE STATEMENT 5	26,254.	26,254.		
24 Total operating and administrative expenses. Add lines 13 through 23		1,433,123.	1,237,484.		55,875.
25 Contributions, gifts, grants paid	PART XV	7,729,010.			7,729,010.
26 Total expenses and disbursements. Add lines 24 and 25		9,162,133.	1,237,484.		7,784,885.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		6,051,792.			
b Net investment income (if negative, enter -0-)			13,976,441.		
c Adjusted net income (if negative, enter -0-)					

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1	Cash — non-interest-bearing		9,618,830.	200,000.	200,000.
	2	Savings and temporary cash investments		12,840,000.	25,220,754.	25,283,730.
	3	Accounts receivable				
		Less: allowance for doubtful accounts				
	4	Pledges receivable				
		Less: allowance for doubtful accounts				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)				
	7	Other notes and loans receivable (attach sch)				
		Less: allowance for doubtful accounts				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments — U.S. and state government obligations (attach schedule)		250,458.	250,458.	253,813.
	b	Investments — corporate stock (attach schedule)		58,085,365.	74,116,139.	121,921,454.
	c	Investments — corporate bonds (attach schedule)		17,821,316.	4,746,473.	4,380,278.
	11	Investments — land, buildings, and equipment: basis	2,680,329.			
	Less: accumulated depreciation (attach schedule) SEE STMT 6		2,680,329.	2,680,329.	5,026,348.	
12	Investments — mortgage loans					
13	Investments — other (attach schedule)					
14	Land, buildings, and equipment: basis	16,687.				
	Less: accumulated depreciation (attach schedule) SEE STMT 7		16,687.			
15	Other assets (describe SEE STATEMENT 8)		32,287.	166,748.	15,386,444.	
16	Total assets (to be completed by all filers — see the instructions. Also, see page 1, item I)		101,329,109.	107,380,901.	172,452,067.	
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, & other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe)				
	23	Total liabilities (add lines 17 through 22)		0.	0.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26, and lines 30 and 31. <input type="checkbox"/>					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>					
	27	Capital stock, trust principal, or current funds		101,329,109.	107,380,901.	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund				
29	Retained earnings, accumulated income, endowment, or other funds					
30	Total net assets or fund balances (see instructions)		101,329,109.	107,380,901.		
31	Total liabilities and net assets/fund balances (see instructions)		101,329,109.	107,380,901.		

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)	101,329,109.
2	Enter amount from Part I, line 27a	6,051,792.
3	Other increases not included in line 2 (itemize)	
4	Add lines 1, 2, and 3	107,380,901.
5	Decreases not included in line 2 (itemize)	
6	Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	107,380,901.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (for example, 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.)
1 a	P		
b DELL COMPUTER	P	12/15/06	11/30/19
c CAPITAL GAIN 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 1,260,437.			1,260,437.
b	1,799.	1,799.	0.
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69.			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			1,260,437.
b			0.
c			308,306.
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	1,568,743.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):	[If gain, also enter in Part I, line 8, column (c). See instructions. If (loss), enter -0- in Part I, line 8.]	3	1,260,437.

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 doesn't qualify under section 4940(e). Do not complete this part.

(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))
2017	6,765,160.	157,606,661.	0.042924
2016	5,858,344.	136,938,896.	0.042781
2015	5,870,471.	121,435,922.	0.048342
2014	4,997,596.	126,622,936.	0.039468
2013	4,390,225.	109,378,328.	0.040138

2 Total of line 1, column (d)	2	0.213653
3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5.0, or by the number of years the foundation has been in existence if less than 5 years	3	0.042731
4 Enter the net value of noncharitable-use assets for 2018 from Part X, line 5	4	163,693,569.
5 Multiply line 4 by line 3	5	6,994,790.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	139,764.
7 Add lines 5 and 6	7	7,134,554.
8 Enter qualifying distributions from Part XII, line 4	8	7,784,885.

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

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

1 a Exempt operating foundations described in section 4940(d)(2), check here. <input type="checkbox"/> and enter 'N/A' on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary -- see instructions)			
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		1	139,764.
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	139,764.
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	139,764.
6 Credits/Payments:			
a 2018 estimated tax pmts and 2017 overpayment credited to 2018	6 a	306,511.	
b Exempt foreign organizations -- tax withheld at source	6 b		
c Tax paid with application for extension of time to file (Form 8868)	6 c		
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments. Add lines 6a through 6d	7	306,511.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		0.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		166,747.
11 Enter the amount of line 10 to be: Credited to 2019 estimated tax <input checked="" type="checkbox"/> 166,747. Refunded <input type="checkbox"/>	11		0.

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? See the instructions for the definition		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?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation ▶ \$ 0. (2) On foundation managers ▶ \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If 'Yes,' attach a detailed description of the activities.		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
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? 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: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, col. (c), and Part XV.	X	
8 a Enter the states to which the foundation reports or with which it is registered. See instructions <u>TX</u>		
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 <i>General Instruction G</i> ? 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 2018 or the tax year beginning in 2018? See the 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

BAA

Part VII-A Statements Regarding Activities (continued)

Table with 3 columns: Question, Yes, No. Rows 11-16 regarding controlled entities, distributions, public inspection, books in care, and foreign interests.

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.

Table with 3 columns: Question, Yes, No. Rows 1a-4b regarding Form 4720 requirements, including disqualifying acts, taxes on failure to distribute income, and business interests.

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

5 a During the year, did the foundation pay or incur any amount to:			Yes	No
(1)	Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
(2)	Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
(3)	Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
(4)	Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? See instructions.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
b If any answer is 'Yes' to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance? See instructions.			5 b	N/A
Organizations relying on a current notice regarding disaster assistance, check here.		<input type="checkbox"/>		
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? If 'Yes,' attach the statement required by Regulations section 53.4945–5(d).		N/A	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6 a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If 'Yes' to 6b, file Form 8870.			6 b	X
7 a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
b If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction?		N/A	7 b	
8 Is the foundation subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year?		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 9		260,947.	0.	0.

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

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

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

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

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
WELLS FARGO BANK ONE O'CONNOR PLAZA VICTORIA, TX 77901	INVESTMENT ADVISORY	118,430.
UBS FINANCIAL SERVICES, INC. 15958 CITY WALK #240 HOUSTON, TX 77479-6584	INVESTMENT ADVISORY	82,424.
PROSPERITY BANK 101 S. MAIN VICTORIA, TX 77901	INVESTMENT ADVISORY	51,365.
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 (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3.....	0.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1 a	131,560,315.
b	Average of monthly cash balances	1 b	14,380,003.
c	Fair market value of all other assets (see instructions)	1 c	20,246,046.
d	Total (add lines 1a, b, and c)	1 d	166,186,364.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	166,186,364.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	2,492,795.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	163,693,569.
6	Minimum investment return. Enter 5% of line 5	6	8,184,678.

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	8,184,678.
2 a	Tax on investment income for 2018 from Part VI, line 5	2 a	139,764.
b	Income tax for 2018. (This does not include the tax from Part VI.)	2 b	
c	Add lines 2a and 2b	2 c	139,764.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	8,044,914.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	8,044,914.
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	8,044,914.

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	1 a	7,784,885.
b	Program-related investments — total from Part IX-B	1 b	
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)	3 a	
b	Cash distribution test (attach the required schedule)	3 b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8; and Part XIII, line 4	4	7,784,885.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b. See instructions	5	139,764.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	7,645,121.

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 2017	(c) 2017	(d) 2018
1 Distributable amount for 2018 from Part XI, line 7.....				8,044,914.
2 Undistributed income, if any, as of the end of 2018:				
a Enter amount for 2017 only.....			7,190,532.	
b Total for prior years: 20 __, 20 __, 20 __		0.		
3 Excess distributions carryover, if any, to 2018:				
a From 2013.....				
b From 2014.....				
c From 2015.....				
d From 2016.....				
e From 2017.....				
f Total of lines 3a through e.....	0.			
4 Qualifying distributions for 2018 from Part XII, line 4: ▶ \$ 7,784,885.				
a Applied to 2017, but not more than line 2a...			7,190,532.	
b Applied to undistributed income of prior years (Election required — see instructions).....		0.		
c Treated as distributions out of corpus (Election required — see instructions).....	0.			
d Applied to 2018 distributable amount.....				594,353.
e Remaining amount distributed out of corpus..	0.			
5 Excess distributions carryover applied to 2018..... (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5.....	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b.....		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.....		0.		
d Subtract line 6c from line 6b. Taxable amount — see instructions.....		0.		
e Undistributed income for 2017. Subtract line 4a from line 2a. Taxable amount — see instructions.....			0.	
f Undistributed income for 2018. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2019.....				7,450,561.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required — see instructions).....	0.			
8 Excess distributions carryover from 2013 not applied on line 5 or line 7 (see instructions)..	0.			
9 Excess distributions carryover to 2019. Subtract lines 7 and 8 from line 6a.....	0.			
10 Analysis of line 9:				
a Excess from 2014....				
b Excess from 2015....				
c Excess from 2016....				
d Excess from 2017....				
e Excess from 2018....				

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 2018, 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				(e) Total
	(a) 2018	(b) 2017	(c) 2016	(d) 2015	
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., to individuals or organizations under other conditions, complete items 2a, b, c, and d. See instructions.

a The name, address, and telephone number or email address of the person to whom applications should be addressed:

SEE STATEMENT 10

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

SEE STATEMENT FOR LINE 2A

c Any submission deadlines:

SEE STATEMENT FOR LINE 2A

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

SEE STATEMENT FOR LINE 2A

Part XV Supplementary Information (continued)

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

Recipient 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 ATTACHED		N/A		7,729,010.
Total				7,729,010. 3 a
b Approved for future payment				
Total				3 b

Description	Shares	Par Value	Interest/Dividend Rate	Maturity Date	Unit Market Price	Cost Basis	Market Value	Estimated Annual Income	Current Yield	% of Account
Cash & Cash Equivalents										
Prosperity Bank	7,029,456.530		0.6700		1.00000	7,029,456.53	7,029,456.53	47,097.36	0.0067	4.08
Palme Webber MINT	380,490.830		0.2200		1.00000	380,490.83	380,490.83	837.08	0.0022	0.22
Raymond James MINT	4,690,807.150		1.0000		1.00000	4,690,807.15	4,690,807.15	46,908.07	0.0100	2.72
Excise Tax Deposits	0.000				1.00000	0.00	0.00	0.00	0.0000	0.00
Total	12,100,754.510					12,100,754.51	12,100,754.51	94,842.51	0.0078	7.02
Certificates of Deposit										
Prosperity Bank	5,000,000.000		2.300	08/31/19	1.00000	5,000,000.00	5,000,000.00	115,000.00	0.0230	2.90
Prosperity Bank	4,000,000.000		2.000	03/02/19	1.00000	4,000,000.00	4,000,000.00	80,000.00	0.0200	2.32
First Bk Highland	240,000.000		2.450	09/16/24	1.02379	240,000.00	245,709.60	5,980.00	0.0239	0.14
Key Bank NA	240,000.000		1.700	12/16/19	1.00007	240,000.00	240,016.80	4,080.00	0.0170	0.14
US BK NA OH	240,000.000		2.550	02/08/20	1.00177	240,000.00	240,424.80	6,120.00	0.0255	0.14
Summit Cmnty Bk WV	240,000.000		1.750	04/30/20	1.00061	240,000.00	240,146.40	2,450.00	0.0102	0.14
Pinnacle Bk FI US	240,000.000		2.850	08/15/20	1.00675	240,000.00	241,620.00	5,130.00	0.0212	0.14
Emergreen Bk Gro IL US	240,000.000		2.700	06/15/20	1.00594	240,000.00	241,425.60	4,860.00	0.0201	0.14
Discover Bk Greew DE	240,000.000		1.900	08/17/20	1.00223	240,000.00	240,535.20	4,560.00	0.0190	0.14
American Express Natl	240,000.000		3.000	06/07/21	1.02039	240,000.00	244,893.60	7,200.00	0.0294	0.14
Morgan Stanley PRV NY	240,000.000		2.450	06/14/21	1.01227	240,000.00	242,944.80	5,680.00	0.0242	0.14
Barclays BK DE US	240,000.000		2.000	07/19/21	1.00561	240,000.00	241,346.40	4,800.00	0.0199	0.14
KS Statebank KS	240,000.000		2.100	07/19/21	1.00641	240,000.00	242,016.40	5,040.00	0.0208	0.14
JPMorgan Chase Bank	240,000.000		2.200	06/30/22	1.00048	240,000.00	240,115.20	5,280.00	0.0220	0.14
Old National Bank IN US	240,000.000		2.100	07/28/22	1.00352	240,000.00	240,844.80	5,040.00	0.0209	0.14
Citibank NA	240,000.000		3.150	08/15/22	1.03609	240,000.00	248,661.60	7,660.00	0.0304	0.14
Morgan Stanley BK UT	240,000.000		3.400	11/23/22	1.04885	240,000.00	251,004.00	8,160.00	0.0325	0.15
BMO Harris BK NA IL US	240,000.000		2.700	05/23/23	1.00259	240,000.00	240,621.60	6,480.00	0.0269	0.14
Goldman Sachs Bank NY	240,000.000		3.400	10/10/23	1.05943	240,000.00	254,263.20	8,160.00	0.0321	0.15
Synchrony Bank	240,000.000		2.500	06/03/24	1.02660	240,000.00	246,384.00	6,000.00	0.0244	0.14
Total	13,320,000.000					13,320,000.00	13,382,976.00	297,680.00	0.0222	7.76
Managed Investment Accounts										
Keyne Small Cap Eq	4,754,471.940		0.780			4,754,471.94	8,252,243.31	71,122.00	0.0086	4.79
Fixed Income Laddered Portfolio	11,095,331.750		1.000			11,095,331.75	11,346,095.98	331,107.00	0.0292	6.59
Ameritrade	5,740,472.910		1.000			5,740,472.91	7,897,757.00	147,000.00	0.0186	4.58
Wells Fargo-Mildcap	13,324,683.030		1.631			13,324,683.03	18,437,461.66	337,577.70	0.0183	10.70
Prosperity Bank-Mutual Funds	9,212,851.420		2.454			9,212,851.42	10,103,632.19	247,987.01	0.0245	5.86
Total	44,127,811.050					44,127,811.05	66,037,190.14	1,134,793.71	0.0203	32.52
Investments										
Corporate Bonds & Notes										
Amazon.com Inc	200,000.000		3.150	08/23/27	1.06267	200,772.45	212,514.00	6,300.00	0.0296	0.12
Ford Motor Crid Co	250,000.000		2.550	08/20/21	0.96299	250,000.00	240,747.50	6,375.00	0.0265	0.14
Anheuser-Busch	225,000.000		3.300	02/01/23	1.03679	224,817.97	233,277.75	7,425.00	0.0316	0.14

Description	Shares	Par Value	Interest/Dividend Rate	Maturity Date	Unit Market Price	Cost Basis	Market Value	Estimated Annual Income	Current Yield	% of Account
Phillip Morris Intl Inc	250,000,000	250,000,000	2.125	05/10/23	0.99990	246,950.25	249,975.00	5,312.50	0.0213	0.15
John Deere Capital Corp	250,000,000	250,000,000	2.650	06/24/24	1.02539	249,907.75	256,347.50	6,625.00	0.0258	0.15
BK of NY Mellon Corp B/E	250,000,000	250,000,000	3.000	02/24/25	1.03925	249,997.75	259,812.50	7,500.00	0.0289	0.15
Lehman Bros Holdings	1,000,000,000	1,000,000,000	0.000	01/29/21	0.00250	536,972.35	2,500.00	0.000	0.000	0.00
VISA Inc	250,000,000	250,000,000	3.150	12/14/25	1.05995	247,727.75	264,987.50	7,875.00	0.0297	0.15
Comcast Corp	300,000,000	300,000,000	3.140	03/01/26	1.04948	300,882.75	314,844.00	9,420.00	0.0299	0.18
Exxon Mobil Corp B/E	250,000,000	250,000,000	3.130	04/22/26	1.05307	245,450.25	263,267.50	7,825.00	0.0297	0.15
Georgia Pwr Co	500,000,000	500,000,000	3.250	04/01/26	1.03750	492,517.89	518,750.00	16,250.00	0.0313	0.30
Wells Fargo & Co	250,000,000	250,000,000	3.000	04/22/26	1.02950	246,772.75	257,375.00	7,500.00	0.0291	0.15
Toyota Motor Credit Corp	250,000,000	250,000,000	3.200	01/11/27	1.06386	248,212.77	266,965.00	8,000.00	0.0301	0.15
Apple Inc	250,000,000	250,000,000	3.200	05/11/27	1.06089	251,644.44	266,222.50	8,000.00	0.0302	0.15
Citex Co	250,000,000	250,000,000	3.100	10/01/27	1.04465	251,707.33	261,162.50	7,750.00	0.0297	0.15
PNC BK	250,000,000	250,000,000	3.250	01/22/28	1.05353	250,338.54	263,382.50	8,125.00	0.0308	0.15
BK of AMER Corp B/E	250,000,000	250,000,000	3.000	08/09/29	1.00059	250,000.00	250,147.50	7,500.00	0.0300	0.15
		5,225,000.00				4,746,472.97	4,360,278.25	127,782.50	0.0292	2.53
Government Bonds										
FHLB, 3.625%, 09/13/28	250,000,000	250,000,000	3.625	09/13/28	1.01525	250,458.47	253,812.50	9,062.50	0.0357	0.15
		250,000.00				250,458.47	253,812.50	9,062.50	0.0357	0.15
Common Stock										
AT&T	12,200,000	12,200,000	2.040		37.38	445,175.41	456,036.00	24,888.00	0.0546	0.26
Altria Group Inc	5,800,000	5,800,000	3.360		49.70	400,721.95	288,250.00	19,488.00	0.0676	0.17
Abbott Labs	10,000,000	10,000,000	1.280		85.45	80,370.80	854,500.00	12,800.00	0.0150	0.50
AEP Inc	6,500,000	6,500,000	2.800		91.35	402,928.43	785,610.00	24,080.00	0.0307	0.46
Alcon Inc	1,370,000	1,370,000			55.29	48,930.64	75,747.30	0.00	0.0000	0.04
American Express Co	8,200,000	8,200,000	1.720		120.12	350,495.72	984,984.00	14,104.00	0.0143	0.57
American Wtr Wks	6,100,000	6,100,000	2.000		121.03	739,733.75	739,283.00	12,200.00	0.0165	0.43
Angen Inc	2,500,000	2,500,000	3.080		234.72	402,628.41	566,800.00	14,500.00	0.0247	0.34
Apple Inc	4,500,000	4,500,000	3.080		257.25	494,101.35	1,202,625.00	13,860.00	0.0115	0.70
Bank of America	29,800,000	29,800,000	0.720		33.32	403,944.25	992,956.00	21,456.00	0.0216	0.58
Berkshire Hathway	5,000,000	5,000,000	0.000		220.30	252,218.95	1,101,500.00	0.00	0.0000	0.64
Bristol Myers Squibb Co	14,800,000	14,800,000	1.640		56.94	352,198.67	842,712.00	24,272.00	0.0288	0.49
Caterpillar Inc	7,300,000	7,300,000	4.120		144.73	481,621.90	1,056,529.00	30,076.00	0.0285	0.61
Chevron Texaco Corp	8,600,000	8,600,000	4.760		117.13	242,365.03	1,007,318.00	40,836.00	0.0406	0.58
Cisco	15,250,000	15,250,000	1.400		45.31	400,012.75	690,977.50	21,360.00	0.0309	0.40
Coca-Cola Co	9,500,000	9,500,000	1.600		53.40	348,944.81	507,300.00	15,200.00	0.0300	0.29
Cole Credit Property Trust V	20,202,020	20,202,020	0.700		24.00	500,000.00	484,848.48	29,090.91	0.0600	0.28
Colgate Palmolive	15,200,000	15,200,000	1.720		67.82	206,453.64	1,030,864.00	26,144.00	0.0254	0.60
Concast	11,000,000	11,000,000	0.940		44.15	290,617.75	485,650.00	9,240.00	0.0190	0.28
Corteva Inc	3,166,000	3,166,000	0.520		26.02	69,673.96	82,379.32	1,646.32	0.0200	0.05
CSX Corporation	16,000,000	16,000,000	0.960		71.54	309,675.37	1,144,640.00	15,360.00	0.0134	0.66
CYS Health Corp	7,600,000	7,600,000	2.000		75.27	399,788.64	572,052.00	15,200.00	0.0266	0.33
Danaher Corp	16,400,000	16,400,000	0.680		145.98	184,807.70	2,394,072.00	11,152.00	0.0047	1.39
Domination Resources Inc	10,000,000	10,000,000	3.670		83.11	558,570.84	831,100.00	36,700.00	0.0442	0.48
Dow Inc	3,166,000	3,166,000	2.800		53.37	132,203.62	168,989.42	8,664.80	0.0525	0.10
DuPont De Nemours Inc	3,166,000	3,166,000	1.200		64.81	192,086.83	205,188.46	3,799.20	0.0185	0.12

Description	Shares	Par Value	Interest/Dividend Rate	Maturity Date	Unit Market Price	Cost Basis	Market Value	Estimated Annual Income	Current Yield	% of Account
Duke Energy	8,433,000		3.780		68.17	564,433.39	743,537.61	31,876.74	0.0429	0.43
Eaton Corp PCL	6,300,000		2.840		92.50	402,732.77	582,750.00	17,892.00	0.0307	0.34
Emerson Elec Co	13,300,000		2.000		73.86	176,816.66	982,338.00	26,600.00	0.0271	0.57
Exxon Mobil Corp.	11,153,000		3.480		68.13	177,201.23	759,653.89	38,812.00	0.0511	0.44
Fasterial Co	11,200,000		0.880		35.52	197,722.72	397,824.00	9,856.00	0.0248	0.23
Fedex Corp	4,000,000		2.800		160.06	339,999.25	640,200.00	10,400.00	0.0162	0.37
Fortive Corp	8,200,000		0.280		72.17	60,182.00	591,794.00	2,296.00	0.0038	0.34
General Mills Inc	13,200,000		1.980		53.32	629,966.85	703,824.00	25,872.00	0.0368	0.41
Gilead Sciences Inc	4,650,000		2.520		67.24	401,874.80	312,666.00	11,718.00	0.0375	0.18
Griffin Capital Essential	50,087,040		0.720		9.48	500,000.00	474,828.14	26,115.38	0.0550	0.28
Halliburton	5,200,000		5.440		20.99	200,654.56	109,148.00	3,744.00	0.0343	0.06
Home Depot	11,400,000		3.600		220.51	302,762.81	2,513,814.00	62,016.00	0.0247	1.46
Honeywell Intl Inc	4,400,000		3.600		178.55	382,339.28	765,620.00	16,840.00	0.0202	0.46
Intel	30,200,000		1.260		58.05	229,617.58	1,753,110.00	36,052.00	0.0217	1.02
Intl Business Mach	5,000,000		6.480		134.45	407,275.25	672,250.00	12,496.00	0.0482	0.39
Intl Flavors & Fyrnes	4,000,000		3.000		141.23	495,261.95	564,920.00	12,000.00	0.0212	0.33
Johnson & Johnson Company	14,000,000		3.800		137.49	138,653.80	1,924,860.00	53,200.00	0.0276	1.12
JPMorgan Chase & Co	7,000,000		3.600		131.76	404,248.75	922,320.00	26,200.00	0.0273	0.54
McDonalds Corp	5,500,000		5.000		194.48	487,862.95	1,089,640.00	27,500.00	0.0257	0.62
Medtronic PLC	11,000,000		2.160		111.39	846,450.00	1,225,290.00	23,760.00	0.0194	0.71
Merck & Co	17,000,000		2.440		87.16	803,572.60	1,482,060.00	41,480.00	0.0280	0.86
MetLife Inc	7,100,000		1.760		49.91	361,207.05	354,361.00	12,496.00	0.0353	0.21
Microsoft	19,800,000		2.040		151.36	418,421.00	2,997,324.00	40,392.00	0.0135	1.74
Nestle S A Sponsored ADR	6,200,000		2.032		103.94	303,146.50	644,428.00	12,598.00	0.0195	0.37
Nextera Energy Inc	9,400,000		5.000		233.82	319,596.21	2,197,908.00	47,000.00	0.0214	1.28
Norfolk Sthn Corp	5,800,000		3.600		193.50	351,042.69	1,122,300.00	20,880.00	0.0186	0.65
Novartis	6,850,000		1.842		92.30	351,594.11	632,255.00	12,618.00	0.0200	0.37
Oneok Inc	6,400,000		3.660		71.06	89,330.90	464,720.00	22,784.00	0.0501	0.26
PepsiCo Inc	12,200,000		3.820		135.83	223,604.93	1,657,125.00	46,604.00	0.0281	0.96
Pfizer Inc	22,000,000		1.440		38.52	185,339.45	847,440.00	31,680.00	0.0374	0.49
Phillip Morris Intl Inc	4,600,000		4.680		82.93	43,782.11	381,478.00	21,528.00	0.0564	0.22
Procter & Gamble Co	12,500,000		2.984		122.06	125,334.75	1,525,750.00	37,300.00	0.0244	0.89
Schlumberger Ltd.	9,200,000		2.000		36.20	175,717.27	333,040.00	18,400.00	0.0552	0.19
Thermo Fisher Scientific Inc	1,500,000		0.760		313.95	398,828.65	470,925.00	1,140.00	0.0024	0.27
Travelers Cos Inc.	6,000,000		3.280		136.72	300,534.65	820,320.00	19,680.00	0.0240	0.48
Unilever PLC Amer	8,300,000		1.798		89.49	302,731.15	493,767.00	14,907.00	0.0302	0.29
UnitedHealth Group Inc	1,670,000		4.320		279.87	399,761.51	467,382.90	7,214.00	0.0154	0.27
United Technologies Corp	5,400,000		2.940		148.34	446,472.95	801,036.00	15,876.00	0.0198	0.46
Verizon Communications	12,000,000		2.460		60.24	282,819.76	772,880.00	29,520.00	0.0408	0.42
Wal Mart Stores	6,500,000		2.120		119.09	366,296.50	774,085.00	13,780.00	0.0178	0.46
Williams COS Inc	11,500,000		1.520		22.72	401,283.61	261,280.00	17,480.00	0.0669	0.15
3M Co	8,700,000		5.760		169.77	148,448.87	1,137,469.00	38,592.00	0.0339	0.66
Totals	682,263,060					22,351,014.79	57,681,791.02	1,465,506.35	0.0253	33.59
Mutual Funds										
American Funds Cap Wld Bond Fund	62,312,418				20.19000	1,286,611.14	1,258,087.72	23,679.00	0.0188	0.73
Columbia Seligman Comm and Inform	11,663,445				85.06000	548,053.81	992,092.63	0.00	0.0000	0.58
Dodge & Cox Intl Stock Fund	13,750,000				43.16000	529,488.58	593,450.00	14,850.00	0.0250	0.34

Description	Shares	Interest/Dividend Rate	Maturity Date	Unit Market Price	Cost Basis	Market Value	Estimated Annual Income	Current Yield	% of Account
FT-1 Templeton Global Bond A	93,556.002			10.60000	1,016,689.92	991,693.62	76,342.00	0.0770	0.58
FT-Franklin Income A	392,468.512			2.29000	1,000,475.84	898,752.89	47,066.00	0.0524	0.52
Loomis Sayles Invest	43,483.754			11.38000	511,862.18	493,748.25	16,168.52	0.0327	0.29
Invesco Oppenheimer Intl Bond A	86,941.000			5.42000	507,423.53	471,220.22	24,343.48	0.0517	0.27
Pimco Real Return Class A	92,013.145			11.20000	1,002,019.43	1,030,547.22	15,642.00	0.0152	0.60
Putnam Ultra Short Duration	49,751.244			10.05000	500,000.00	500,000.00	12,438.00	0.0249	0.29
Templeton Global Total Return CL A	23,781.272			10.99000	343,309.22	261,356.18	13,410.00	0.0590	0.15
Vanguard Wellesley Inc	18,587.361			27.52000	400,000.00	511,524.17	14,851.30	0.0290	0.30
Totals	888,298.153				7,645,903.64	8,002,472.90	260,820.30	0.0326	4.65
Miscellaneous Assets									
Office Equipment	14,494.670				14,494.67	14,494.67			0.01
Machinery & Equipment	392.960				392.96	392.96			0.00
Accumulated Depreciation					(14,364.03)	(14,364.03)			(0.01)
Total	14,887.63				523.60	523.60			0.00
Mineral Interests									
Various Mineral and Royalty Interest: Brazoria, Colorado, Dimmit, Fayette Harris, Jackson, LaSalle, Lavaca, Matagorda, Webb, and Wharton Counties	604,454.240				604,454.24	15,219,696.58	9,582,370.19	0.6296	8.83
Accumulated Depletion	-604,454.240				(604,454.24)				0.00
Net Mineral Interests	0.000				0.00	15,219,696.58	9,582,370.19	0.6296	8.83
Real Estate									
Texas									
Jackson County	939.174				519,499.00	923,900.00	16,900.00	0.0183	0.54
Wharton County-Farm	26.333				21,528.00	229,038.00	871.00	0.0038	0.13
Webb Co Ranch	5,344.564				2,139,304.76	3,873,920.00	77,312.00	0.0200	2.25
Total	6,310.071				2,680,328.76	5,026,848.00	95,083.00	0.0189	2.92
Grand Totals					107,223,267.79	172,285,843.50	13,067,941.06	0.0759	100.00

Auditors adjustments (net)

157,633

Adjusted book value

107,380,901

CAPITAL GAINS & LOSSES YEAR ENDING NOVEMBER 30, 2019

Ameritrade	
12/31/2018	20,395.81 Long Term
1/31/2019	-476.28 Short Term
2/28/2019	106,113.71 Long Term
3/31/2019	153,130.61 Long Term
4/30/2019	2,501.09 Long Term
5/31/2019	-50,951.80 Long Term
6/30/2019	-116.48 Short Term
7/31/2019	94,822.52 Long Term
11/30/2019	14,356.11 Long Term

WELLS FARGO-CONSOLIDATED	
12/31/2019	19,363.39 Long Term
1/31/2019	-13,849.55 Short Term
2/28/2019	-36,565.96 Short Term
3/31/2019	4,379.58 Long Term
4/30/2019	-19,958.40 Short Term
5/31/2019	-0.09 Long Term
6/30/2019	15,528.42 Short Term
7/31/2019	752.23 Long Term
8/31/2019	-296.50 Short Term
9/30/2019	2,377.82 Long Term
10/31/2019	-829.20 Short Term
11/30/2019	-67,232.73 Long Term
	-12,179.58 Short Term
	-25,688.75 Long Term
	807,218.92 Long Term
	6,526.03 Short Term

WELLS FARGO FIXED INCOME	
12/31/2018	-1,017.48 Long Term
5/31/2019	839.93 Short Term

DATE	ASSET	SHARES	DATE ACQUIRED	PROCEEDS	BASIS	GAIN (LOSS)	
PROSPERITY CUSTODIAL ACCOUNT							
12/31/2018						-92,286.06	Long Term
1/31/2019						-43,799.71	Long Term
2/28/2019						16,541.25	
2/28/2019						6,262.27	Long Term
2/28/2019						1,250.25	Short Term
3/3/2019						10,624.97	Long Term
4/30/2019						1,588.41	Long Term
5/31/2019						24,396.32	Short Term
11/30/2019						35,206.24	Long Term
11/30/2019						-4,255.25	Long Term

UBS FINANCIAL SERVICES-KAYNE ANDERSON

4/30/2019						33,156.06	Long Term
4/30/2019						-6,570.38	
5/31/2019						38,562.79	Long Term
8/30/2019						492,586.30	Long Term
11/30/2019						123,154.68	Long Term

INDIVIDUALLY HELD SECURITIES

2/15/2019	Caterpillar Financial Services	200,000.00		187,230.00	200,000.00	12,770.00	Long Term
3/20/2019	VanguardConvertible Deb. Fund					9,689.56	Long Term
4/11/2019	Dow Chemical					40.46	Long Term
4/16/2019	Tupperware	3,200	9/14/2011	85,266.22	201,432.95	-116,499.73	Long Term
4/16/2019	Wells Fargo	10,400	7/13/2016	481,344.43	501,695.95	-20,351.52	Long Term
4/25/2019	Anheuser Busch					599.22	Long Term
5/14/2019	Anheuser Busch	4,000	5/10/2019	334,388.81	475,500.53	-141,111.72	Long Term
5/14/2019	National Grid PLC	4,950	6/20/2014	269,901.90	401,490.95	-131,589.05	Long Term
5/14/2019	Templeton Global	8,562.093	3/7/2011	100,000.00	108,680.69	-8,680.69	Long Term
6/18/2019	Dupont De Nemours	1	2/10/2006	49.39	40.44	8.95	Long Term
11/26/2018							Long Term
11/15/2018							Long Term
11/15/2018							Long Term
11/15/2018							Long Term

11/30/2017 TOTAL GAINS & LOSSES

1,260,436.99

CAPITAL GAINS DISTRIBUTIONS 2019 YEAR ENDING NOVEMBER 30, 2019

12/10/2018	Columbia Seligman	11121.79	Short Term
12/10/2018	Columbia Seligman	72713.18	Long Term
12/17/2018	Loomis Sayles	2325.31	Long Term
12/17/2018	Loomis Sayles	8.69	Short Term
12/19/2018	Vanguard Convertible Bond Fund	8281.83	Long Term
12/19/2018	Vanguard Convertible Bond Fund	1952.67	Short Term
12/19/2018	Vanguard Wellesley	19345.73	Long Term
12/31/2019	Prosperity Bank Custodian	55,330.31	Long Term
12/31/2019	Prosperity Bank Custodian	1,041.92	Short Term
12/31/2019	Prosperity Bank Custodian	13,457.05	Long Term
12/31/2018	Wells Fargo Midcap	4,775.03	Short Term
12/31/2018	Wells Fargo Midcap	112,611.42	Long Term
1/19/2019	Prosperity Bank Custodian	436.96	Short Term
1/19/2019	Prosperity Bank Custodian	4,904.36	Long Term
1/30/2019	TOTAL CAPITAL GAINS DISTRIBUTIONS	<u>308,306.25</u>	

Depreciation and Amortization
(Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service (99)

▶ **Attach to your tax return.**
▶ **Go to www.irs.gov/Form4562 for instructions and the latest information.**

Attachment
Sequence No. **179**

Name(s) shown on return **M. G. & LILLIE A. JOHNSON
FOUNDATION, INC.**

Identifying number
74-6076961

Business or activity to which this form relates

FORM 990/990-PF

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2017 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5. See instrs. ...	11	
12	Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12	
13	Carryover of disallowed deduction to 2019. Add lines 9 and 10, less line 12	13	

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	524.

Part III MACRS Depreciation (Don't include listed property. See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2018	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		<input type="checkbox"/>

Section B – Assets Placed in Service During 2018 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only – see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19 a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	
				MM	S/L	

Section C – Assets Placed in Service During 2018 Tax Year Using the Alternative Depreciation System

20 a Class life					S/L	
b 12-year			12 yrs		S/L	
c 30-year			30 yrs	MM	S/L	
d 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations – see instructions	22	524.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

M. G. & LILLIE A. JOHNSON
FOUNDATION, INC.

74-6076961

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

	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
OIL & GAS RELATED INCOME.....	\$ 231,235.	\$ 231,235.	
OIL & GAS ROYALTIES.....	9,908,210.	9,908,210.	
TOTAL	<u>\$10,139,445.</u>	<u>\$10,139,445.</u>	<u>\$ 0.</u>

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

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BUMGARDNER MORRISON & CO.....	\$ 2,500.			\$ 2,500.
ROLOFF HNATEK & CO.....	11,110.			11,110.
TOTAL	<u>\$ 13,610.</u>	<u>\$ 0.</u>		<u>\$ 13,610.</u>

STATEMENT 3
FORM 990-PF, PART I, LINE 16C
OTHER PROFESSIONAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
AMERITRADE (SATHER FINANCIAL).....	\$ 46,508.	\$ 46,508.		
PROSPERITY BANK.....	51,365.	51,365.		
UBS FINANCIAL SERVICES.....	82,424.	82,424.		
WELLS FARGO ADVISORS.....	118,430.	118,430.		
TOTAL	<u>\$ 298,727.</u>	<u>\$ 298,727.</u>		<u>\$ 0.</u>

STATEMENT 4
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
AD VALOREM TAXES.....	\$ 274,717.	\$ 274,717.		
EMPLOYEE BENEFITS.....	138.	138.		
EXCISE.....	139,764.			
FOREIGN TAXES.....	24,921.	24,921.		
PAYROLL TAXES.....	15,291.	15,291.		
SEVERANCE TAXES.....	325,840.	325,840.		
TOTAL	<u>\$ 780,671.</u>	<u>\$ 640,907.</u>		<u>\$ 0.</u>

M. G. & LILLIE A. JOHNSON
FOUNDATION, INC.

74-6076961

STATEMENT 5
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
DUES & SUBSCRIPTIONS.....	\$ 5,506.	\$ 5,506.		
INSURANCE.....	10,997.	10,997.		
OFFICE EXPENSE.....	6,679.	6,679.		
OTHER INVESTMENT FEES.....	3,072.	3,072.		
TOTAL	<u>\$ 26,254.</u>	<u>\$ 26,254.</u>		<u>\$ 0.</u>

STATEMENT 6
FORM 990-PF, PART II, LINE 11
INVESTMENTS - LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE	FAIR MARKET VALUE
LAND	\$ 2,680,329.		\$ 2,680,329.	\$ 5,026,348.
TOTAL	<u>\$ 2,680,329.</u>	<u>\$ 0.</u>	<u>\$ 2,680,329.</u>	<u>\$ 5,026,348.</u>

STATEMENT 7
FORM 990-PF, PART II, LINE 14
LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE	FAIR MARKET VALUE
FURNITURE AND FIXTURES	\$ 16,687.	\$ 16,687.	\$ 0.	\$ 0.
TOTAL	<u>\$ 16,687.</u>	<u>\$ 16,687.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

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

	BOOK VALUE	FAIR MARKET VALUE
EXCISE TAX OVERPAYMENT.....	\$ 166,747.	\$ 166,747.
MINERAL INTERESTS.....	1.	15,219,697.
TOTAL	<u>\$ 166,748.</u>	<u>\$ 15,386,444.</u>

STATEMENT 9
FORM 990-PF, PART VIII, LINE 1
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
M. H. BROCK 807 S. HANOVER EDNA, TX 77957	CHAIRMAN 3.00	\$ 1,500.	\$ 0.	\$ 0.
RUSSELL MARSHALL 6017 COUNTRY CLUB DRIVE VICTORIA, TX 77904	TRUSTEE 1.00	2,000.	0.	0.
DICK KOOP 1258 CR 312 EDNA, TX 77957	TRUSTEE 1.00	1,000.	0.	0.
ROSEMARY RUST 616 BOB-O-LINK LANE WHARTON, TX 77488	TRUSTEE 1.00	1,500.	0.	0.
JACK R. MORRISON, JR. P. O. BOX 3750 VICTORIA, TX 77903	SEC/TREAS 2.00	2,000.	0.	0.
JAMES A. BOULIGNY 1305 AVENUE K EL CAMPO, TX 77437	VICE CHAIR 1.00	1,500.	0.	0.
TERRELL MULLINS 503 E. FOURTH STREET HALLETTSVILLE, TX 77964	TRUSTEE 1.00	2,000.	0.	0.
ROBERT L. HALEPESKA 206 TRACY LANE VICTORIA, TX 77904	EXEC VICE PRES 40.00	249,447.	0.	0.
		TOTAL \$ 260,947.	\$ 0.	\$ 0.

STATEMENT 10
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION

NAME OF GRANT PROGRAM:
NAME:
CARE OF:
STREET ADDRESS:
CITY, STATE, ZIP CODE:
TELEPHONE:
E-MAIL ADDRESS:
FORM AND CONTENT:

M. G. & LILLIE A. JOHNSON FOUNDATION
ROBERT HALEPESKA
P. O. BOX 2269
VICTORIA, TX 77902
(361) 575-7970

GRANT APPLICATIONS MUST BE SUBMITTED IN WRITING, SHOULD INCLUDE BIOGRAPHICAL INFORMATION ABOUT THE PROSPECTIVE GRANTEE AND MUST INCLUDE SATISFACTORY EVIDENCE TO ASSURE OUR TRUSTEES THAT THE APPLICANT IS A QUALIFIED ORGANIZATION TO WHICH THE JOHNSON FOUNDATION MAY PROVIDE FUNDS IN ACCORDANCE WITH PERTINENT INTERNAL REVENUE

STATEMENT 10 (CONTINUED)
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION

SUBMISSION DEADLINES:
RESTRICTIONS ON AWARDS:

SERVICE CODE SECTIONS AND REGULATIONS. THE APPLICANT SHOULD ALSO SPECIFY THE AMOUNT OF FUNDS REQUESTED, THE INTENDED USE OF THE FUNDS AND THE ANTICIPATED LENGTH OF TIME WITHIN WHICH THE FUNDS WILL BE EXPENDED. 30 DAYS PRIOR TO THE MEETING DATE(S) OF THE TRUSTEES GENERALLY PREFER TO CONFINE FUNDING TO HEALTH CARE OR HIGHER EDUCATION RELATED GRANTEEES.

GRANTS PAID FOR THE YEAR ENDING NOVEMBER 30, 2019

\$75,000.00 to the Calhoun County EMS to purchase a Ford Transit 350 High Top Roof Type II ambulance.

\$5,000.00 to the Cuero Public Library to purchase a computer and printer for its Maker Space program.

\$113,700.00 to the City of Hallettsville to renovate the Lillie Appelt Johnson Youth Center.

\$37,500.00 to the Palacios Community Medical Center to purchase an ultrasound machine and equipment for the Lab and X-Ray Departments.

\$3,600.00 to Team First Book Matagorda County to purchase books for disadvantaged children in Matagorda County.

\$160,000.00 to the Refugio County Memorial Hospital to purchase a Hematology Analyzer and an Immunoassay Analyzer.

\$55,000.00 to the Boys & Girls Club of Victoria to purchase a 14 passenger van.

\$50,000.00 to the Mid-Coast Family Services to purchase furnishings for the Women's Crisis Center and for its apartments used to house chronically homeless people with disabilities.

\$50,000.00 to the Perpetual Help Home to renovate its singles house.

\$15,000.00 to The YMCA of the Golden Crescent to purchase a new STEM program for its summer camp and after school program.

\$50,000.00 to The Center to convert a residence from gas to electricity and purchase updated equipment.

\$150,000.00 to Devereaux to renovate the Barclay Education Center building.

\$100,000.00 to the Wharton County Junior College to construct a driveway and canopy for the Fine Arts Building at the College.

\$50,000.00 to the Victoria County Volunteer Fire Department to purchase bunker gear for its firefighters.

\$24,560.00 to Goliad County Outreach to purchase a freezer and cooler.

\$51,500.00 to the Goliad County EMS to purchase two Stryker power loads for its ambulances.

\$350,000.00 to the Jackson County Hospital District to purchase a GE 3D Mammography System for the Jackson County Hospital.

\$20,000.00 to the Texas Barnstorming Museum to purchase a Cessna 172 for its student flight training program.

\$20,000.00 to Promise Pointe to remodel and repair an existing facility to house the residents' bathrooms, clothes washing facility, library and recreation area.

\$250,000.00 to The Victoria College for direct scholarships for Workforce and Allied Health Continuing Education, Credit Programs in Allied Health Careers and special initiatives that concentrate on new and enhanced program success, enrollment or retention.

\$350,000.00 to the Wharton County Junior College to purchase instructional equipment and materials for the Allied Health Programs.

\$70,000.00 to the Coastal Bend College to construct a radiographic laboratory room.

\$50,000.00 to the City of Port Lavaca Fire Department to help put in a new communication system. Rosemary Rust declined this request.

\$50,000.00 to Colorado County EMS to purchase a chassis and remount a refurbished box for a new ambulance.

\$50,000.00 to the Cuero Volunteer Fire Department to purchase a brush truck for brush and grass fires.

\$500,000.00 to Texana for a new electronic health records system.

\$1,150.00 to the Jackson County Memorial Library to purchase animal kits for its Teddy Bear Workshop.

\$50,000.00 to the Jackson County EMS District No. 3 to purchase a chassis for a new brush truck.

\$30,000.00 to Community Connections of Lavaca County to renovate its Yoakum and Shiner Centers and to implement a technology upgrade for its transit drivers' electronic tablets.

\$50,000.00 to the Hallettsville Volunteer Fire Department to purchase a Fire Utility Truck and radio system.

\$8,000.00 to the Palacios Library, Inc. to purchase two new air-conditioning units.

\$40,000.00 to the Boys & Girls Club of Bay City and Matagorda County to help fund the demolition and construction of two covered walk-ways.

\$25,000.00 to the Palacios Volunteer Fire Department to purchase two breathing apparatuses with air mask, wildland coveralls and additional air cylinders.

\$12,500.00 to the Austwell Volunteer Fire Department to help equip a 2004 military truck to be converted into a brush and high-water truck.

\$50,000.00 to the Welder Wildlife Foundation to help purchase a 30 passenger, wheel-chair accessible and ADA compliant bus.

\$260,000.00 to the Mid-Coast Family Services to construct a Family Support Wing at the Women's Crisis Center,

\$500,000.00 to the Vine School to purchase a new building for its school.

\$25,000.00 to the Billy Cattan Recovery Outreach Center for a technology upgrade.

\$26,500.00 to the Boys & Girls Club of El Campo to replace a metal roof, install security cameras and replace some doors with termite damage.

\$50,000.00 to the El Campo EMS to help purchase a new ambulance and stretcher locking system.

\$350,000.00 to the Wharton County Junior College for direct scholarships for students enrolled in the Allied Health Programs.

\$1,000,000.00 to the El Campo Memorial Hospital. This grant award is in the amount of \$5,000,000.00 and will be paid in five equal installments beginning in November 2019. This grant is subject to the hospital receiving funding from the USDA's Community Facilities Direct Loan & Grant Program in the amount of \$36,600,000.00.

\$800,000.00 to the University of Houston-Victoria. \$350,000.00 will be for direct scholarships for students attending UHV and living in the counties and pursuing degrees supported by the Johnson Foundation. \$450,000.00 will be used to construct a Visualization Theater in the University's new STEM Building.

\$1,750,000.00 to the Victoria College to construct a Comprehensive Student Center. The grant award is in the amount of \$5,250,000.00 and will be paid in three installments of \$1,750,000.00 over a three year period starting in November of 2019.

Total Grants Paid-\$7,729.010.00

M.G. and Lillie A. Johnson Foundation, Inc.
 Assets as of November 30, 2019

74-6076961

Description	Shares Par Value	Interest/ Dividend Rate	Maturity Date	Unit Market Price	Cost Basis	Market Value	Estimated Annual Income	Current Yield	% of Account
Cash & Cash Equivalents									
Prosperity Bank	7,029,456.530	0.6700		1.00000	7,029,456.53	7,029,456.53	47,097.36	0.0067	4.08
Paine Webber MIMKT	380,490.830	0.2200		1.00000	380,490.83	380,490.83	837.08	0.0022	0.22
Raymond James MIMKT	4,690,807.150	1.0000		1.00000	4,690,807.15	4,690,807.15	46,908.07	0.0100	2.72
Excise Tax Deposits	0.000			1.00000	0.00	0.00	0.00	0.0000	0.00
Total	12,100,754.510				12,100,754.51	12,100,754.51	94,842.51	0.0078	7.02
Certificates of Deposit									
Prosperity Bank	5,000,000.000	2.300	08/31/19	1.00000	5,000,000.00	5,000,000.00	115,000.00	0.0230	2.90
Prosperity Bank	4,000,000.000	2.000	03/02/19	1.00000	4,000,000.00	4,000,000.00	80,000.00	0.0200	2.32
First Bk Highland	240,000.000	2.450	09/16/24	1.02379	240,000.00	245,709.60	5,880.00	0.0239	0.14
Key Bank NA	240,000.000	1.700	12/16/19	1.00007	240,000.00	240,016.80	4,080.00	0.0170	0.14
US BK NA OH	240,000.000	2.550	02/06/20	1.00177	240,000.00	240,424.80	6,120.00	0.0255	0.14
Summit Cmty Bk WV	240,000.000	1.750	04/30/20	1.00061	240,000.00	240,146.40	2,450.00	0.0102	0.14
Plimacade Bk FI US	240,000.000	2.850	06/15/20	1.00675	240,000.00	241,620.00	5,130.00	0.0212	0.14
Evergreen Bk Gro IL US	240,000.000	2.700	06/15/20	1.00594	240,000.00	241,425.60	4,860.00	0.0201	0.14
Discover Bk Greew DE	240,000.000	1.900	06/17/20	1.00223	240,000.00	240,535.20	4,560.00	0.0190	0.14
American Express Natl	240,000.000	3.000	06/07/21	1.02039	240,000.00	244,893.60	7,200.00	0.0294	0.14
Morgan Stanley PRV NY	240,000.000	2.450	06/14/21	1.01227	240,000.00	242,944.80	5,880.00	0.0242	0.14
Barclays BK DE US	240,000.000	2.000	07/19/21	1.00561	240,000.00	241,346.40	4,800.00	0.0199	0.14
KS Statebank KS	240,000.000	2.100	07/19/21	1.00841	240,000.00	242,018.40	5,040.00	0.0208	0.14
JPMorgan Chase Bank	240,000.000	2.200	06/30/22	1.00048	240,000.00	240,115.20	5,280.00	0.0220	0.14
Old National Bank IN US	240,000.000	2.100	07/26/22	1.00352	240,000.00	240,844.80	5,040.00	0.0209	0.14
Citibank NA	240,000.000	3.150	08/15/22	1.03609	240,000.00	248,661.60	7,560.00	0.0304	0.14
Morgan Stanley BK UT	240,000.000	3.400	11/23/22	1.04585	240,000.00	251,004.00	8,160.00	0.0325	0.15
BMO Harris BK NA IL US	240,000.000	2.700	05/29/23	1.00259	240,000.00	240,621.60	6,480.00	0.0269	0.14
Goldman Sachs Bank NY	240,000.000	3.400	10/10/23	1.05943	240,000.00	254,263.20	8,160.00	0.0341	0.15
Synovus Bank	240,000.000	2.500	06/03/24	1.02660	240,000.00	246,384.00	6,000.00	0.0244	0.14
Total	13,320,000.000				13,320,000.00	13,382,976.00	297,680.00	0.0222	7.76
Managed Investment Accounts									
Kayne Small Cap Eq	4,754,471.940	0.790			4,754,471.94	8,252,243.31	71,122.00	0.0086	4.79
Fixed Income Laddered Portfolio	11,095,331.750	1.000			11,095,331.75	11,346,095.98	331,107.00	0.0292	6.59
Ameritrade	5,740,472.910	1.000			5,740,472.91	7,897,757.00	147,000.00	0.0186	4.58
Wells Fargo-Midcap	13,324,683.030	1.831			13,324,683.03	18,437,461.66	337,577.79	0.0183	10.70
Prosperity Bank-Mutual Funds	9,212,851.420	2.454			9,212,851.42	10,103,692.19	247,987.01	0.0245	5.86
Total	44,127,811.050				44,127,811.05	56,037,190.14	1,134,793.71	0.0203	32.52
Investments									
Corporate Bonds & Notes									
Amazon.com Inc	200,000,000	3.150	08/22/27	1.06257	200,772.45	212,514.00	6,300.00	0.0296	0.12
Ford Motor Crid Co	250,000,000	2.550	08/20/21	0.96299	250,000.00	240,747.50	6,375.00	0.0265	0.14
Anheuser-Busch	225,000,000	3.300	02/01/23	1.03679	224,817.97	233,277.75	7,425.00	0.0318	0.14

Description	Shares	Par Value	Interest/ Dividend Rate	Maturity Date	Unit Market Price	Cost Basis	Market Value	Estimated Annual Income	Current Yield	% of Account
Phillip Morris Intl Inc	250,000,000	250,000,000	2.125	05/10/23	0.99990	248,960.25	249,975.00	5,312.50	0.0213	0.15
John Deere Capital Corp	250,000,000	250,000,000	2.650	06/24/24	1.02539	249,707.75	256,347.50	6,625.00	0.0258	0.15
BK of NY Mellon Corp B/E	250,000,000	250,000,000	3.000	02/24/25	1.03825	249,997.75	259,812.50	7,500.00	0.0289	0.15
Lehman Bros Holdings	1,000,000,000	1,000,000,000	0.000	01/29/21	0.00250	536,972.35	2,500.00	0.00	0.0000	0.00
VISA Inc	250,000,000	250,000,000	3.150	12/14/25	1.05895	247,727.75	264,987.50	7,875.00	0.0297	0.15
Comcast Corp	300,000,000	300,000,000	3.140	03/01/26	1.04848	300,882.75	314,844.00	9,420.00	0.0299	0.18
Exxon Mobil Corp B/E	250,000,000	250,000,000	3.130	04/22/26	1.05307	245,450.25	263,267.50	7,825.00	0.0297	0.15
Georgia Pwr Co	500,000,000	500,000,000	3.250	04/01/26	1.02950	492,517.89	516,750.00	16,250.00	0.0313	0.30
Wells Fargo & Co	250,000,000	250,000,000	3.000	04/22/26	1.03750	246,772.75	257,375.00	7,500.00	0.0291	0.15
Toyota Motor Credit Corp	250,000,000	250,000,000	3.200	01/11/27	1.06386	248,212.75	265,965.00	8,000.00	0.0301	0.15
Apple Inc	250,000,000	250,000,000	3.200	05/11/27	1.05089	251,644.44	265,222.50	8,000.00	0.0302	0.15
Clorox Co	250,000,000	250,000,000	3.100	10/01/27	1.04465	251,707.33	261,162.50	7,750.00	0.0297	0.15
PNC BK	250,000,000	250,000,000	3.250	01/22/28	1.05353	250,338.54	263,382.50	8,125.00	0.0308	0.15
BK of AMER Corp B/E	250,000,000	250,000,000	3.000	08/09/29	1.00059	250,000.00	250,147.50	7,500.00	0.0300	0.15
	5,225,000.00					4,746,472.97	4,380,278.25	127,782.50	0.0292	2.53

Government Bonds	Shares	Par Value	Interest/ Dividend Rate	Maturity Date	Unit Market Price	Cost Basis	Market Value	Estimated Annual Income	Current Yield	% of Account
FHLB, 3.625%, 09/13/28		250,000,000	3.625	09/13/28	1.01525	250,458.47	253,812.50	9,062.50	0.0357	0.15
		250,000.00				250,458.47	253,812.50	9,062.50	0.0357	0.15

Common Stock	Shares	Par Value	Interest/ Dividend Rate	Maturity Date	Unit Market Price	Cost Basis	Market Value	Estimated Annual Income	Current Yield	% of Account
AT&T	12,200,000	12,200,000	2.040		37.38	445,175.41	456,036.00	24,888.00	0.0546	0.26
Altria Group Inc	5,800,000	5,800,000	3.360		49.70	400,721.95	288,260.00	19,488.00	0.0676	0.17
Abbott Labs	10,000,000	10,000,000	1.280		85.45	60,370.60	854,500.00	12,800.00	0.0150	0.50
AEP Inc	8,600,000	8,600,000	2.800		91.35	402,928.43	785,610.00	24,080.00	0.0307	0.46
Alcon Inc	1,370,000	1,370,000			55.29	48,930.64	75,747.30	0.00	0.0000	0.04
American Express Co	8,200,000	8,200,000	1.720		120.12	350,495.72	984,984.00	14,104.00	0.0143	0.57
American Wr Wks	6,100,000	6,100,000	2.000		121.03	296,733.75	738,283.00	12,200.00	0.0165	0.43
Amgen Inc	2,500,000	2,500,000	5.800		234.72	402,628.41	586,800.00	14,500.00	0.0247	0.34
Apple Inc	4,500,000	4,500,000	3.080		267.25	494,101.35	1,202,625.00	13,860.00	0.0115	0.70
Bank of America	29,800,000	29,800,000	0.720		33.32	403,944.25	992,936.00	21,456.00	0.0216	0.58
Berkshire Hathway	5,000,000	5,000,000	0.000		220.30	252,219.95	1,101,500.00	0.00	0.0000	0.64
Bristol Myers Squibb Co	14,800,000	14,800,000	1.640		56.94	352,198.67	842,712.00	24,272.00	0.0288	0.49
Caterpillar Inc	7,300,000	7,300,000	4.120		144.73	481,621.90	1,056,529.00	30,076.00	0.0285	0.61
Chevron Texaco Corp	8,600,000	8,600,000	4.760		117.13	242,365.03	1,007,318.00	40,936.00	0.0406	0.58
Chisao	15,250,000	15,250,000	1.400		45.31	400,012.75	690,977.50	21,350.00	0.0309	0.40
Coca-Cola Co	9,500,000	9,500,000	1.600		53.40	348,944.81	507,300.00	15,200.00	0.0300	0.29
Cole Credit Property Trust V	20,202,020	20,202,020	0.700		24.00	500,000.00	484,848.48	29,090.91	0.0600	0.28
Colgate Palmolive	15,200,000	15,200,000	1.720		67.82	206,453.64	1,030,864.00	26,144.00	0.0254	0.80
Comcast	3,166,000	3,166,000	0.940		44.15	290,617.75	485,680.00	9,240.00	0.0200	0.28
Conteva Inc	16,000,000	16,000,000	0.520		26.02	69,673.96	82,379.32	1,646.32	0.0200	0.05
CSX Corporation	16,000,000	16,000,000	0.980		71.54	309,675.37	1,144,640.00	15,360.00	0.0134	0.66
CVS Health Corp	7,600,000	7,600,000	2.000		75.27	399,788.64	572,052.00	15,200.00	0.0266	0.33
Danaher Corp	16,400,000	16,400,000	0.680		145.98	184,807.70	2,394,072.00	11,152.00	0.0047	1.39
Dominion Resources Inc	10,000,000	10,000,000	3.670		83.11	558,570.84	831,100.00	36,700.00	0.0442	0.48
Dow Inc	3,166,000	3,166,000	2.800		53.37	132,203.62	168,969.42	8,864.80	0.0525	0.10
DuPont De Nemours Inc	3,166,000	3,166,000	1.200		64.81	192,086.83	205,188.46	3,799.20	0.0185	0.12

Description	Shares Per Value	Interest/ Dividend Rate	Maturity Date	Unit Market Price	Cost Basis	Market Value	Estimated Annual Income	Current Yield	% of Account
Duke Energy	8,433,000	3.780		88.17	554,433.39	743,537.61	31,876.74	0.0429	0.43
Eaton Corp PCL	6,300,000	2.840		92.50	402,732.77	582,750.00	17,892.00	0.0397	0.34
Emerson Elec Co	13,300,000	2.000		73.86	175,816.66	982,338.00	26,500.00	0.0271	0.57
Exxon Mobil Corp.	11,153,000	3.480		68.13	177,201.23	759,853.89	38,812.00	0.0511	0.44
Fastenal Co	11,200,000	0.880		35.52	197,722.72	397,824.00	9,856.00	0.0248	0.23
Fedex Corp	4,000,000	2.800		160.05	339,999.25	640,200.00	10,400.00	0.0162	0.37
Fortive Corp	8,200,000	0.280		72.17	60,182.00	591,794.00	2,296.00	0.0039	0.34
General Mills Inc	13,200,000	1.960		53.32	629,985.85	703,824.00	25,872.00	0.0368	0.41
Gilead Sciences Inc	4,650,000	2.520		67.24	401,874.80	312,666.00	11,718.00	0.0375	0.18
Griffin Capital Essential	50,087,040			9.48	500,000.00	474,825.14	26,115.38	0.0550	0.28
Halliburton	5,200,000	0.720		20.99	200,654.56	109,148.00	62,016.00	0.0247	0.06
Home Depot	11,400,000	6.440		220.51	302,762.81	2,513,814.00	3,744.00	0.0247	1.46
Home Depot	4,400,000	3.600		178.55	382,339.28	785,620.00	15,840.00	0.0247	0.46
Home Depot	30,200,000	1.260		58.05	229,617.58	1,753,110.00	38,052.00	0.0217	1.02
Intel	5,000,000	6.480		134.45	407,275.25	672,250.00	32,400.00	0.0482	0.39
Intel Business Mach	4,000,000	3.000		141.23	495,261.95	664,920.00	12,000.00	0.0212	0.33
Intl Flavors & Frigmas	14,000,000	3.800		137.49	138,653.80	1,924,860.00	53,200.00	0.0276	1.12
Johnson & Johnson Company	7,000,000	3.600		131.76	404,249.75	922,320.00	25,200.00	0.0273	0.54
JPMorgan Chase & Co	5,500,000	5.000		194.48	487,862.95	1,089,640.00	27,500.00	0.0257	0.62
McDonalds Corp	11,000,000	2.160		111.39	846,450.00	1,225,280.00	23,760.00	0.0194	0.71
Medtronic PLC	17,000,000	2.440		87.18	803,572.60	1,482,060.00	41,480.00	0.0280	0.86
Merck & Co	7,100,000	1.760		49.91	361,207.05	354,361.00	12,496.00	0.0333	0.21
MetLife Inc	19,800,000	2.040		151.38	418,421.00	2,997,324.00	40,392.00	0.0135	1.74
Microsoft	6,200,000	2.032		103.94	303,146.50	644,428.00	12,598.00	0.0195	0.37
Nestle S A Sponsored ADR	9,400,000	5.000		233.82	319,596.21	2,197,908.00	47,000.00	0.0214	1.28
Nextera Energy Inc	5,800,000	3.600		93.50	351,042.69	1,122,300.00	20,880.00	0.0186	0.65
Norfolk Sthn Corp	6,850,000	1.842		92.30	351,594.11	632,255.00	12,518.00	0.0200	0.37
Novartis	6,400,000	3.660		71.05	89,330.90	454,720.00	22,784.00	0.0501	0.26
Oneok Inc	12,200,000	3.820		135.83	223,604.93	1,657,126.00	46,604.00	0.0281	0.96
Pepsico Inc	22,000,000	1.440		38.52	185,339.45	847,440.00	31,680.00	0.0374	0.49
Pfizer Inc	4,600,000	4.680		82.93	43,782.11	381,478.00	37,300.00	0.0564	0.22
Philip Morris Intl Inc	12,500,000	2.984		122.06	125,334.75	1,525,750.00	37,300.00	0.0244	0.89
Procter & Gamble Co	9,200,000	2.000		36.20	175,717.27	333,040.00	18,400.00	0.0552	0.19
Schlumberger Ltd.	1,500,000	0.750		313.95	398,629.65	470,925.00	1,140.00	0.0024	0.27
Thermo Fisher Scientific Inc	6,000,000	3.280		136.72	300,534.65	820,320.00	19,680.00	0.0240	0.48
Travelers Cos Inc.	8,300,000	1.796		59.49	302,731.15	493,767.00	14,907.00	0.0302	0.29
Unilever PLC Amer	1,670,000	4.320		279.87	399,761.51	467,382.90	7,214.00	0.0154	0.27
UnitedHealth Group Inc	5,400,000	2.940		148.34	446,472.95	801,036.00	15,876.00	0.0198	0.46
United Technologies Corp	12,000,000	2.460		60.24	282,819.76	722,880.00	28,520.00	0.0408	0.42
Verizon Communications	6,500,000	2.120		119.09	356,296.50	774,085.00	13,780.00	0.0178	0.45
Wal Mart Stores	11,500,000	1.520		22.72	401,283.61	261,280.00	17,480.00	0.0669	0.15
Williams COS Inc	6,700,000	5.780		189.77	148,446.87	1,137,459.00	38,592.00	0.0339	0.66
3M Co	682,263,060				22,351,014.79	57,881,791.02	1,465,506.35	0.0253	33.59
Totals									
Mutual Funds									
American Funds Cap Wild Bond Fund	62,312,418			20.19000	1,286,611.14	1,268,087.72	23,679.00	0.0188	0.73
Columbia Seligman Comm and Inform	11,663,445			86.06000	548,053.81	992,092.63	0.00	0.0000	0.58
Dodge & Cox Intl Stock Fund	13,750,000			43.16000	529,488.58	593,450.00	14,850.00	0.0250	0.34

Description	Shares	Par Value	Interest/Dividend Rate	Maturity Date	Unit Market Price	Cost Basis	Market Value	Estimated Annual Income	Current Yield	% of Account
FT-Templeton Global Bond A	93,556.002	392,468.512			10.60000	1,016,689.92	991,693.62	76,342.00	0.0770	0.58
FT-Franklin Income A	392,468.512	43,463.754			2.29000	1,000,475.84	898,752.89	47,096.00	0.0524	0.52
Loomis Sayles Invest	86,941.000	82,013.145			11.36000	511,852.18	493,748.25	16,168.52	0.0327	0.29
Invesco Oppenheimer Intl Bond A	92,013.145	49,751.244			5.42000	507,423.52	471,220.22	24,343.48	0.0517	0.27
Pimco Real Return Class A	49,751.244	23,781.272			11.20000	1,002,019.43	1,030,547.22	15,642.00	0.0152	0.60
Putnam Ultra Short Duration	18,587.361	886,288.153			10.05000	500,000.00	600,000.00	12,438.00	0.0249	0.29
Templeton Global Total Return CL A	18,587.361	886,288.153			10.99000	343,309.22	261,356.18	15,410.00	0.0590	0.15
Vanguard Wellesley Inc	886,288.153	14,494.670			27.52000	400,000.00	511,524.17	14,851.30	0.0290	0.30
Totals						7,645,903.64	8,002,472.90	260,820.30	0.0326	4.65
Miscellaneous Assets										
Office Equipment		14,494.670				14,494.67	14,494.67			0.01
Machinery & Equipment		392.960				392.96	392.96			0.00
Accumulated Depreciation		14,887.83				(14,394.03)	(14,394.03)			(0.01)
Total						523.60	523.60			0.00
Mineral Interests										
Various Mineral and Royalty Interest: Brazoria, Colorado, Dimmit, Fayette, Harris, Jackson, Lapsalle, Lavaca, Matagorda, Webb, and Wharton Counties		604,454.240				604,454.24	15,219,696.58	9,582,370.19	0.6296	8.83
Accumulated Depletion		604,454.240				(604,454.24)				0.00
Net Mineral Interests		0.000				0.00	15,219,696.58	9,582,370.19	0.6296	8.83
Real Estate										
Texas										
Jackson County	939.174	26,333				519,499.00	923,390.00	16,900.00	0.0183	0.54
Wharton County-Farm	5,344.564	6,310.071				21,528.00	229,038.00	871.00	0.0038	0.13
Webb Co Ranch	6,310.071					2,139,301.76	3,873,920.00	77,312.00	0.0200	2.25
Total						2,680,328.76	5,026,348.00	95,083.00	0.0189	2.92
Grand Totals						107,223,267.79	172,285,843.50	13,067,941.06	0.0759	100.00