Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0052

2012

For calendar year 2012, or tax year beginning 12/01 **, 2012, and ending** 11/30 , 2013

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 the 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 ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ 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)* ► $ 101,119,330.

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 (att sch)				
	2 Ck ► ☒ if the foundn is **not** req to att Sch B				
	3 Interest on savings and temporary cash investments			N/A	
	4 Dividends and interest from securities	1,871,301.	1,871,301.		
	5a Gross rents	108,301.	108,301.		
	b Net rental income or (loss) 87,572.				
	6a Net gain/(loss) from sale of assets not on line 10	1,494,462.			
	b Gross sales price for all assets on line 6a 3,720,918.				
	7 Capital gain net income (from Part IV, line 2)		1,494,462.		
	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/(loss) (att sch)				
	11 Other income (attach schedule) SEE STATEMENT 1	8,245,215.	8,245,215.		
	12 **Total.** Add lines 1 through 11	11,719,279.	11,719,279.		
OPERATING AND ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc	185,993.	175,493.		10,500.
	14 Other employee salaries and wages	8,700.	8,700.		
	15 Pension plans, employee benefits	41,090.	41,090.		
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch) SEE ST 2	11,925.	11,925.		
	c Other prof fees (attach sch) SEE ST 3	125,372.	125,372.		
	17 Interest				
	18 Taxes (attach schedule)(see instrs) SEE STM 4	593,143.	374,585.		
	19 Depreciation (attach sch) and depletion	424.	424.		
	20 Occupancy	15,514.	15,514.		
	21 Travel, conferences, and meetings	8,559.	575.		7,983.
	22 Printing and publications				
	23 Other expenses (attach schedule) SEE STATEMENT 5	37,725.	37,725.		
	24 **Total operating and administrative expenses.** Add lines 13 through 23	1,028,445.	791,403.		18,483.
	25 Contributions, gifts, grants paid PART XV	3,799,292.			3,799,292.
	26 **Total expenses and disbursements.** Add lines 24 and 25	4,827,737.	791,403.		3,817,775.
	27 Subtract line 26 from line 12:				
	a **Excess of revenue over expenses and disbursements**	6,891,542.			
	b **Net investment income** (if negative, enter -0-)		10,927,876.		
	c **Adjusted net income** (if negative, enter -0-)				

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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 (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
ASSETS	1	Cash — non-interest-bearing			
	2	Savings and temporary cash investments	5,626,834.	13,957,466.	13,957,466.
	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)			
	b	Investments — corporate stock (attach schedule)	45,578,263.	47,619,690.	68,664,507.
	c	Investments — corporate bonds (attach schedule)	3,485,981.		2,505,551.
	11	Investments — land, buildings, and equipment basis ► 2,680,329.			
		Less accumulated depreciation (attach schedule) SEE STMT 6 ►	2,680,329.	2,680,329.	4,661,743.
	12	Investments — mortgage loans			
	13	Investments — other (attach schedule)			
	14	Land, buildings, and equipment basis ► 17,021.			
		Less: accumulated depreciation (attach schedule) SEE STMT 7 ► 15,812.	1,633.	1,209.	1,209.
	15	Other assets (describe ► SEE STATEMENT 8)	25,785.	30,364.	11,328,854.
	16	**Total assets** (to be completed by all filers — see the instructions. Also, see page 1, item I)	57,398,825.	64,289,058.	101,119,330.
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 ►)	1,309.		
	23	**Total liabilities** (add lines 17 through 22)	1,309.	0.	
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 ► X and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds	46,043,546.	64,289,058.	
	28	Paid-in or capital surplus, or land, building, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	11,353,970.		
	30	**Total net assets or fund balances** (see instructions)	57,397,516.	64,289,058.	
	31	**Total liabilities and net assets/fund balances** (see instructions)	57,398,825.	64,289,058.	

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	57,397,516.
2	Enter amount from Part I, line 27a	2	6,891,542.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	64,289,058.
5	Decreases not included in line 2 (itemize) ►	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	64,289,058.

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 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a SEE STATEMENT 9			
b			
c			
d			
e			

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

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

	(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
a				
b				
c				
d				
e				

2	Capital gain net income or (net capital loss) — If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7	2	1,494,462.
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	248,801.

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 (column (b) divided by column (c))
2011	3,700,626.	82,241,510.	0.044997
2010	3,286,462.	72,116,422.	0.045572
2009	2,770,402.	62,225,163.	0.044522
2008	3,305,184.	55,757,555.	0.059278
2007	3,301,345.	68,099,437.	0.048478

2	**Total** of line 1, column (d)	2	0.242847
3	Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.048569
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	93,815,751.
5	Multiply line 4 by line 3	5	4,556,537.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	109,279.
7	Add lines 5 and 6	7	4,665,816.
8	Enter qualifying distributions from Part XII, line 4	8	3,817,775.

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 ► ☐ and enter 'N/A' on line 1. Date of ruling or determination letter: _______ (attach copy of letter if necessary – see instrs)				
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► ☐ and enter 1% of Part I, line 27b			1	218,558.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (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	218,558.
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	218,558.
6 Credits/Payments				
a 2012 estimated tax pmts and 2011 overpayment credited to 2012	6a	247,784.		
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	247,784.
8 Enter any **penalty** for underpayment of estimated tax. Check here [X] 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	29,226.
11 Enter the amount of line 10 to be: **Credited to 2013 estimated tax** ► 29,226. **Refunded** ►			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?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?	1b		X
*If the answer is 'Yes' to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation ► $ 0. **(2)** On foundation managers ► $ 0.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► $ 0.			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? *If 'Yes,' attach a detailed description of the activities.*	2		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If 'Yes,' attach a conformed copy of the changes.*	3		X
4 a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If 'Yes,' has it filed a tax return on **Form 990-T** for this year?	4b	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*	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, column (c), and Part XV*	7	X	
8 a 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 2012 or the taxable year beginning in 2012 (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 ► ROBERT HALEPESKA Telephone no. ► (361) 575-7970

Located at ► ONE O'CONNOR PLAZA, STE 905 VICTORIA TX ZIP + 4 ► 77901

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** – Check here ► [X]

and enter the amount of tax-exempt interest received or accrued during the year ► 15 0.

			Yes	No
16	At any time during calendar year 2012, 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 Form TD F 90-22 1. If 'Yes,' enter the name of the foreign country ►			

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

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

				Yes	No
1 a	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 [X] No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	[ ] Yes [X] No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	[ ] Yes [X] No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	[X] 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 [X] 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 [X] 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)?		1 b		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 2012?		1 c		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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012?	[ ] Yes [X] No			
	If 'Yes,' list the years ► 20__ , 20__ , 20__ , 20__				
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.)		2 b	N/A	
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ► 20__ , 20__ , 20__ , 20__				
3 a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	[ ] Yes [X] No			
b	If 'Yes,' did it have excess business holdings in 2012 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 2012.)*		3 b	N/A	
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4 a		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 2012?		4 b		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 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)	☐ Yes ☒ No		
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes ☒ No		
b If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?		5b	N/A
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
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 (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 10		185,993.	39,437.	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 & CO ONE O'CONNOR PLAZA VICTORIA, TX 77901	INVESTMENT ADVISORY	55,405.
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	1a	69,154,075.
b	Average of monthly cash balances	1b	10,128,899.
c	Fair market value of all other assets (see instructions)	1c	15,961,443.
d	**Total** (add lines 1a, b, and c)	1d	95,244,417.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e: 0.		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	95,244,417.
4	Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	1,428,666.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	93,815,751.
6	**Minimum investment return.** Enter 5% of line 5	6	4,690,788.

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	4,690,788.
2a	Tax on investment income for 2012 from Part VI, line 5 — 2a: 218,558.		
b	Income tax for 2012 (This does not include the tax from Part VI) — 2b:		
c	Add lines 2a and 2b	2c	218,558.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	4,472,230.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	4,472,230.
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	4,472,230.

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	3,817,775.
b	Program-related investments — total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	3,817,775.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	3,817,775.

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 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				4,472,230.
2 Undistributed income, if any, as of the end of 2012:				
a Enter amount for 2011 only			3,173,209.	
b Total for prior years: 20 __, 20 __, 20 __		0.		
3 Excess distributions carryover, if any, to 2012:				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2012 from Part XII, line 4: ► $ 3,817,775.				
a Applied to 2011, but not more than line 2a			3,173,209.	
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 2012 distributable amount				644,566.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2012 *(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 2011. Subtract line 4a from line 2a. Taxable amount — see instructions			0.	
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				3,827,664.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)	0.			
9 **Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

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 2012, 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) 2012	**(b)** 2011	**(c)** 2010	**(d)** 2009	**(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 of the person to whom applications should be addressed.

SEE STATEMENT 11

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	N/A		3,799,292.
Total			► **3a**	3,799,292.
b *Approved for future payment*				
Total			► **3b**	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income (See instructions.)
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					
4 Dividends and interest from securities			14	1,871,301.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property			16	87,572.	
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	1,494,462.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a OIL & GAS RELATED INCOME			15	8,245,215.	
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				11,698,550.	

13 **Total.** Add line 12, columns (b), (d), and (e) 13 11,698,550.

(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) (See instructions.)
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	1 a (1)		X
(2) Other assets	1 a (2)		X
b Other transactions:			
(1) Sales of assets to a noncharitable exempt organization	1 b (1)		X
(2) Purchases of assets from a noncharitable exempt organization	1 b (2)		X
(3) Rental of facilities, equipment, or other assets	1 b (3)		X
(4) Reimbursement arrangements	1 b (4)		X
(5) Loans or loan guarantees	1 b (5)		X
(6) Performance of services or membership or fundraising solicitations	1 b (6)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1 c		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			

2 a 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

Signature of officer or trustee | Date 2/20/14 | Title EXEC VICE PRESIDENT

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
PAULA LESKE, CPA	Paula Leske	2-3-14		P00047020

Firm's name ► BUMGARDNER, MORRISON & COMPANY, LLP — Firm's EIN ► 74-1194944

Firm's address ► PO BOX 3750, VICTORIA, TX 77903-3750 — Phone no (361) 575-0271

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	$ 8,245,215.	$ 8,245,215.	
TOTAL	$ 8,245,215.	$ 8,245,215.	$ 0.

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	$ 2,300.	$ 2,300.		
ROLOFF, HNATEK & CO	9,625.	9,625.		
TOTAL	$ 11,925.	$ 11,925.		$ 0.

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
FIRST VICTORIA NATIONAL BANK	$ 32,542.	$ 32,542.		
PAINE WEBBER	37,425.	37,425.		
WELLS FARGO	55,405.	55,405.		
TOTAL	$ 125,372.	$ 125,372.		$ 0.

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	$ 121,106.	$ 121,106.		
EXCISE	218,558.			
FOREIGN TAXES	5,688.	5,688.		
PAYROLL	10,260.	10,260.		
SEVERANCE	237,531.	237,531.		
TOTAL	$ 593,143.	$ 374,585.		$ 0.

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
BANK CHARGES	$ 349.	$ 349.		
DUES & SUBSCRIPTIONS	3,654.	3,654.		
INSURANCE	9,099.	9,099.		
OFFICE EXPENSE	3,894.	3,894.		
RENTAL EXPENSES	20,729.	20,729.		
TOTAL	$ 37,725.	$ 37,725.		$ 0.

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.	$ 4,661,743.
TOTAL	$ 2,680,329.	$ 0.	$ 2,680,329.	$ 4,661,743.

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	$ 17,021.	$ 15,812.	$ 1,209.	$ 1,209.
TOTAL	$ 17,021.	$ 15,812.	$ 1,209.	$ 1,209.

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

	BOOK VALUE	FAIR MARKET VALUE
EXCISE TAX OVERPAYMENT	$ 29,226.	$ 29,226.
MINERAL INTERESTS	1.	11,298,491.
PAYROLL TAX OVERPAYMENT	1,137.	1,137.
TOTAL	$ 30,364.	$ 11,328,854.

STATEMENT 9
FORM 990-PF, PART IV, LINE 1
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

ITEM	(A) DESCRIPTION	(B) HOW ACQUIRED	(C) DATE ACQUIRED	(D) DATE SOLD
1	SCHEDULE ATTACHED	PURCHASED	VARIOUS	VARIOUS
2	SCHEDULE ATTACHED	PURCHASED	VARIOUS	VARIOUS
3	4000 H J HEINZ	PURCHASED	9/14/2011	6/10/2013
4	7500 LUFKIN INDUSTRIES	PURCHASED	10/09/2012	7/02/2013
5	9055.287 FIDELITY ADV STRATEGIC	PURCHASED	7/31/2009	8/09/2013
6	OPPENHEIMER INTL BOND	PURCHASED	5/17/2006	8/09/2013
7	8917.1 T ROWE PRICE EMERGING MKTS	PURCHASED	7/31/2009	8/09/2013
8	38722.168 VANGUARD INTRMED TERM BD INDEX	PURCHASED	2/19/2009	8/09/2013
9	20365.469 VANGUARD HIGH YLD	PURCHASED	7/31/2009	8/09/2013
10	37878.788 VANGUARD GNMA	PURCHASED	2/19/2009	8/09/2013

ITEM	(E) GROSS SALES	(F) DEPREC. ALLOWED	(G) COST BASIS	(H) GAIN (LOSS)	(I) FMV 12/31/69	(J) ADJ. BAS. 12/31/69	(K) EXCESS (I)-(J)	(L) GAIN (LOSS)
1	1047743.		0.	1047743.				$ 1047743.
2	0.		18,432.	-18,432.				-18,432.
3	290,000.		201,843.	88,157.				88,157.
4	663,750.		396,517.	267,233.				267,233.
5	112,376.		100,621.	11,755.				11,755.
6	534,687.		506,866.	27,821.				27,821.
7	114,139.		101,143.	12,996.				12,996.
8	439,497.		400,000.	39,497.				39,497.
9	121,378.		101,034.	20,344.				20,344.
10	397,348.		400,000.	-2,652.				-2,652.
							TOTAL	$ 1494462.

STATEMENT 10
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.
M. MUNSON SMITH 36 FLAMINGO ROAD ROCKPORT, TX 78382	VICE CHAIRMAN 1.00	1,500.	0.	0.
DICK KOOP 1258 CR 312 EDNA, TX 77957	TRUSTEE 1.00	1,500.	0.	0.
ROSEMARY RUST 616 BOB-O-LINK LANE WHARTON, TX 77488	TRUSTEE 1.00	1,500.	0.	0.

STATEMENT 10 (CONTINUED)
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
JACK R. MORRISON, JR. P. O. BOX 3750 VICTORIA, TX 77903	SEC/TREAS 2.00	$ 1,500.	$ 0.	$ 0.
JAMES A. BOULIGNY 1305 AVENUE K EL CAMPO, TX 77437	TRUSTEE 1.00	1,500.	0.	0.
TERRELL MULLINS 503 E. FOURTH STREET HALLETTSVILLE, TX 77964	TRUSTEE 1.00	1,500.	0.	0.
ROBERT L. HALEPESKA 206 TRACY LANE VICTORIA, TX 77904	EXEC VICE PRES 40.00	175,493.	39,437.	0.
	TOTAL	$ 185,993.	$ 39,437.	$ 0.

STATEMENT 11
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION

NAME OF GRANT PROGRAM:	
NAME:	M. G. & LILLIE A. JOHNSON FOUNDATION
CARE OF:	ROBERT HALEPESKA
STREET ADDRESS:	P. O. BOX 2269
CITY, STATE, ZIP CODE:	VICTORIA, TX 77902
TELEPHONE:	(361) 575-7970
E-MAIL ADDRESS:	
FORM AND CONTENT:	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 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.
SUBMISSION DEADLINES:	30 DAYS PRIOR TO THE MEETING DATE(S) OF THE TRUSTEES
RESTRICTIONS ON AWARDS:	GENERALLY PREFER TO CONFINE FUNDING TO HEALTH CARE OR HIGHER EDUCATION RELATED GRANTEES.

M.G. & Lillie A. Johnson Foundation, Inc. 74-6076961
Fixed Assets
Depreciation Schedule
FYE 11/30/13

Description	Date Acquired	Cost	Method	Life	PY Accumulated Depreciation at 11/30/12	Depreciation Expense	Accumulated Depreciation at 11/30/13
Furniture:							
Furniture	10/87	2,675.00	Straight-Line	10 Years	2,675.00	-	2,675.00
Sign	10/89	348.00	Straight-Line	10 Years	348.00	-	348.00
Desk, Credenza & Chair	12/89	4,034.96	Straight-Line	10 Years	4,034.96	-	4,034.96
Filing Cabinet	06/90	840.97	Straight-Line	10 Years	840.97	-	840.97
Software	09/92	1,016.00	Straight-Line	5 Years	1,016.00	-	1,016.00
Dell Computer	06/02	1,487.00	Straight-Line	5 Years	1,487.00	-	1,487.00
Software	09/03	972.80	Straight-Line	5 Years	972.80	-	972.80
5 Shelf Bookcase	06/07	433.18	Straight-Line	10 Years	238.25	43.32	281.57
Executive Chair	06/07	792.07	Straight-Line	10 Years	435.65	79.21	514.86
60x60 Chairmat	06/07	270.69	Straight-Line	10 Years	148.89	27.07	175.96
Corner Desk, Drawer, & Keyboard	06/07	687.80	Straight-Line	10 Years	378.31	68.78	447.09
36", 2 File Cabinet	06/07	494.02	Straight-Line	10 Years	271.71	49.40	321.11
48x24 File Cabinet	06/07	388.21	Straight-Line	10 Years	213.51	38.82	252.33
48x24 File Cabinet	06/07	388.21	Straight-Line	10 Years	213.51	38.82	252.33
Printer/Fax Machine	11/09	392.96	Straight-Line	5 Years	314.37	78.59	392.96
Dell Computer	12/06	1,799.00	Straight-Line	5 Years	1,799.00	-	1,799.00
Totals		17,020.87			15,387.93	424.01	15,811.94

M. G. & Lillie A. Johnson Foundation 74-6076961

CAPITAL GAINS & LOSSES YEAR ENDING NOVEMBER 30, 2013

DATE	ASSET	SHARES	DATE ACQUIRED	PROCEEDS	BASIS	GAIN (LOSS)	
	WELLS FARGO-INTERNATIONAL						
12/31/2012						0 32	Short Term
						44,074 74	Long Term
3/31/2013						1,278 78	Short Term
4/30/2013						1,120 09	Short Term
						2,213 96	Short Term
5/31/2013						-6,208 01	Short Term
6/30/2013						5,515 88	Short Term
						-1,572 78	Long Term
07/31/2013						-4,987 34	Short Term
08/31/2013						-1,399 33	Short Term
09/30/2013						-14,786 07	Short Term
10/31/2013						515 76	Short Term
11/30/2013						-1,935 68	Long Term
	WELLS FARGO-MIDCAP						
12/31/2012						3,522 63	Short Term
						34,192 30	Long Term
1/31/2013						391,870 38	Long Term
2/28/2013						-1,455.49	Long Term
3/31/2013						53 33	Short Term
4/30/2013						6,963 75	Short Term
5/31/2013						-24,951.77	Short Term
6/30/2013						8,623 80	Short Term
07/31/2013						-26,149 30	Short Term
08/31/2013						-3,141 83	Long Term
						14,570 26	Short Term
09/30/2013						-5,085 96	Short Term
10/31/2013						-23,160 49	Short Term
11302013						-1,927 79	Long Term
						-2,527 70	Short Term
	FVNB CUSTODIAL ACCOUNT						
12/31/2011						33,075 67	Long Term
02/28/2013						88,548 73	Long Term
05/31/2013						334,319 09	Long Term
06/30/2013						20,763 42	Long Term
08/31/2013						-188,922 05	Long Term

M. G. & Lillie A. Johnson Foundation 74-6076961 FYE 11/30/2013

	ASSET	SHARES	DATE ACQUIRED	PROCEEDS	BASIS	GAIN (LOSS)	
	UBS FINANCIAL SERVICES						
12/03/2012	PIMCO Real Return Fund A					13,924 44	Long Term
	PIMCO Real Return Fund A					11,262 87	Short Term
12/17/2012	UBS Select Prime Cap Fund					2 63	Short Term
12/19/2012	Templeton Global Total Return A					965 49	Long Term
	Templeton Global Total Return A					1,541 06	Short Term
	Franklin/Templeton A					159 05	Short Term
	Franklin/Templeton A					15,895 16	Long Term
12/21/2012	Columbia Seligman					9,074 32	Short Term
	Columbia Seligman					20,623.13	Long Term
	American Funds					6,088 46	Short Term
	American Funds					11,192.92	Long Term
12/24/2012	Delaware Div. Income					6,047 41	Short Term
	Delaware Div Income					4,221 78	Long Term
05/31/2013	Columbia Seligman					34 17	Long Term
06/10/2013	J H Heinz Co	4000	9/14/2011	290,000 00	201,843 19	88,156 81	Long Term
07/02/2013	Lufkin Industries Inc	7500	10/9/2012	663,750 00	396,516 67	267,233 33	Short Term
	UBS FINANCIAL SERVICES-KAYNE ANDERSON						
12/31/2012						7,892 27	Long Term
01/31/2013						2,042 04	Long Term
02/28/2013						72,231 62	Long Term
07/31/2013						4,152 00	Long Term
10/31/2013						10,179 16	Short Term
						63,370 85	Long Term
11/30/2013						16,517 17	Long Term

M. G. & Lillie A. Johnson Foundation 74-6076961 FYE 11/30/2013

	ASSET	SHARES	DATE ACQUIRED	PROCEEDS	BASIS	GAIN (LOSS)	
	PRIME VEST-MUTUAL FUNDS						
12/18/2012	Vanguard Wellesley					37 17	Short Term
	Vanguard Wellesley					6,189 59	Long Term
	T Rowe Price Emerging Markets					1,337 57	Long Term
	Oppenheimer Int'l					6,960 49	Long Term
	Vanguard Convertible Bond Fund					3,579 59	Long Term
	Vanguard GNMA					1,969 70	Short Term
	Vanguard GNMA					1,553 03	Long Term
12/24/2012	Fidelity Adv Strategic Inc					769 70	Short Term
	Fidelity Adv Strategic Inc					869 31	Long Term
	Loomis Sayles Inv Grade Bond Fund					391 17	Short Term
	Loomis Sayles Inv Grade Bond Fund					4,628 89	Long Term
	Vanguard Intrm Term Bond Index Fund					619 55	Short Term
	Vanguard Intrm Term Bond Index Fund					7,357 21	Long Term
02/19/2013	Fidelity Adv Strategic Income Fund					18 11	Long Term
04/30/2013	Vanguard GNMA					75 76	Short Term
	Vanguard GNMA					303 03	Long Term
	Vanguard Intm Trm					154 89	Short Term
	Vanguard Intm Trm					1,587 61	Long Term
07/31/2013	Cole Reit					30,115 12	Long Term
08/09/2013	Fidelity ADV Strategic Inc		07/31/2009	112,376 12	100,621 15	11,754 97	Long Term
	Oppenheimer Int'l Bond Fund A		05/17/2006	534,686 87	506,865 77	27,821 10	Long Term
	T Rowe Price Emerging Markets		07/31/2009	114,138 88	101,142 91	12,995 97	Long Term
	Vanguard Intrm Term Bond Fund Index		02/19/2009	439,496 61	400,000 00	39,496 61	Long Term
	Vanguard High Yield Corp		07/31/2009	121,378 19	101,033 72	20,344 47	Long Term
	Vanguard GNMA Inv Fund		02/19/2009	397,348 49	400,000 00	-2,651 51	Long Term
	INDIVIDUALLY HELD SECURITIES						
08/31/2013	Washington Mutual-litigation proceeds					215 93	Long Term
11/30/2013	Tyco-litigation proceeds					147 96	Long Term
08/31/2013	**TOTAL GAINS & LOSSES**					**1,494,462.43**	

M.G. and Lillie A. Johnson Foundation, Inc. 74-6076961

Assets as of November 30, 2013

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									
FVNB Checking Acct	3,214,334 410	0 2000		1 00000	3,214,334 41	3,214,334 41	6,428 67	0 0020	3 18
Paine Webber MMKT	181,061 880	0 0100		1 00000	181,061 88	181,061 88	18 11	0 0010	0 18
PrimeVest MMKT	4,115,319 280	0 0100		1 00000	4,115,319 28	4,115,319 28	411 53	0 0001	4 07
Total	7,510,715 570				7,510,715 57	7,510,715 57	6,858 31	0 0031	7 43
Managed Investment Accounts									
Kayne Small Cap Eq	1,881,477 870	1 024			1,881,477 87	3,035,867.76	31,096 00	0 0102	3 00
Ameritrade	4,999,435 460	1 000			5,000,005 28	4,999,435 46		0 0000	4 95
Wells Fargo-Midcap	6,030,566 380	0 990			6,030,566 38	8,502,381 75	84,162 74	0 0099	8 41
Wells Fargo-International	2,308,974 080	2 265			2,308,974 08	3,098,644.61	70,172 29	0 0226	3 07
FVNB-Mutual Funds	9,202,510 420	2 073			9,202,510 42	9,992,447 53	207,129 36	0 0207	9 88
Total	24,422,964 210				24,423,534 03	29,628,777 11	392,560 39	0 0132	29 31
Investments									
Corporate Bonds & Notes									
John Hancock Signature	500,000 000	2 980	03/15/14	0 99880	500,000 00	499,400 00	4,475 00	0 0090	0 49
Bellsouth Corp Notes	500,000 000	5 200	12/15/16	1 11103	497,615 25	555,515 00	26,000 00	0 0468	0 55
General Elec Cap Corp	400,000.000	6 000	02/15/17	1 12360	400,000.00	449,440.00	24,000 00	0 0534	0 44
Caterpillar Fincl Svcs	200,000 000	7 150	02/15/19	1 23973	187,230 00	247,946 00	14,300 00	0 0577	0 25
GE Capital Internotes	500,000 000	5 100	02/15/19	1 10400	500,000 00	552,000 00	25,500 00	0 0462	0 55
Lehman Bros Holdings	1,000,000 000	0 000	01/29/21	0 20125	793,170 98	201,250 00	0 00	0 0000	0 20
	3,100,000 000				2,878,016 23	2,505,551 00	94,275 00	0 0376	2 48
Common Stock									
A T & T	6,400 000	1 800		35 21000	198,153 46	225,344 00	11,520 00	0 0511	0 22
Abbott Labs	10,000 000	0 880		38 19000	60,370 60	381,900 00	8,800 00	0 0230	0 38
ABBVIE Inc Com	10,000 000	1 600		48 45000	65,466 77	484,500 00	16,000 00	0 0330	0 48
AEP Inc	3,400 000	2 000		47 06000	100,622 70	160,004 00	6,800 00	0 0425	0 16
Altria Group Inc	17,600 000	1 920		36 98000	152,374 18	650,848 00	33,792 00	0 0519	0 64
American Express Co	8,200 000	0 920		85 80000	350,495 72	703,560 00	7,544 00	0 0107	0 70
Baker Hughes	3,400 000	0 600		56 96000	196,955 83	193,664 00	2,040 00	0 0105	0 19
Berkshire Hathaway	5,000 000	0 000		116 53000	252,219 95	582,650 00	0 00	0 0000	0 58
Bristol Myers Squibb Co	14,800 000	1 400		51 38000	352,198 67	760,424 00	20,720 00	0 0272	0 75

M. G. & Lillie A. Johnson Foundation 74-6076961

Description	Shares Par Value	Interest/ Dividend Rate	Maturity Date		Cost Basis	Market Value	Estimated Annual Income	Current Yield	% of Account
Caterpillar Inc	3,300 000	2 400		84.60000	198,184 95	279,180 00	7,920.00	0 0284	0 28
Chevron Texaco Corp	8,600 000	4 000		122 44000	242,365 03	1,052,984 00	34,400 00	0 0327	1 04
Cisco	15,250 000	0 680		21 25000	400,012 75	324,062 50	10,370 00	0.0320	0 32
Coca-Cola Co	4,000 000	1 120		40 19000	97,485 90	160,760 00	4,480 00	0.0279	0 16
Cole Credit Property Trust III	50,000 000	0 700		10 00000	500,000 00	500,000 00	35,000 00	0 0700	0 49
Colgate Palmolive	15,200 000	1.360		65 81000	206,453 64	1,000,312 00	20,672 00	0 0207	0 99
CSX Corporation	16,000 000	0 600		27 27000	309,675.37	436,320 00	9,600 00	0 0220	0 43
Danaher Corp	16,400 000	0 100		74 80000	244,989 70	1,226,720 00	1,640 00	0 0013	1 21
Dominion Resources Inc	10,000 000	2 250		64 91000	558,570 84	649,100 00	22,500 00	0 0347	0 64
Dow Chemical	9,500 000	1 280		39 06000	394,022 95	371,070 00	12,160 00	0 0328	0 37
Duke Energy	8,433 000	3 120		69 96000	554,433 39	589,972 68	26,310 96	0 0446	0 58
Emerson Elec Co	13,300 000	1 720		66 99000	175,816 66	890,967 00	22,876 00	0 0257	0 88
Energy Transfer	4,600 000	3 620		54 16000	201,301 25	249,136 00	16,652 00	0 0668	0 25
Enterprise Products Partner	5,000 000	2 760		62 97000	204,245 23	314,850 00	13,800 00	0 0438	0 31
Exxon Mobil Corp	11,153 000	2.520		93 48000	177,201 23	1,042,582 44	28,106 00	0 0270	1 03
Fastenal Co	5,600 000	1 000		46 53000	197,722 72	260,568 00	5,600 00	0 0215	0 26
Fedex Corp	4,000 000	0 600		138 70000	339,999 25	554,800 00	2,400 00	0 0043	0 55
Glaxo SmithKline PLC	8,500 000	2 409		52 92000	403,610 75	449,820 00	20,477 00	0 0455	0 44
General Mills Inc	3,400 000	1 520		50 43000	96,715 91	171,462 00	5,168 00	0 0301	0 17
Halliburton	5,200 000	0 600		52 68000	200,654 56	273,936 00	2,600 00	0 0095	0 27
Home Depot	11,400 000	1 560		80 67000	302,762 81	919,638 00	17,784 00	0 0193	0 91
Home Properties Inc	2,900 000	2 800		52 58000	102,767 87	152,482 00	8,120 00	0 0533	0 15
Inland REIT	300,000 000	0 065		1 00000	300,000 00	300,000 00	19,500 00	0 0650	0 30
Intel	30,200 000	0 900		23 84000	229,617 58	719,968 00	27,180 00	0 0378	0 71
Intl Business Mach	5,000 000	3 800		179 68000	407,275 25	898,400 00	19,000 00	0 0211	0 89
Johnson & Johnson Company	14,000 000	2 640		94 66000	138,653 80	1,325,240 00	36,960 00	0 0279	1 31
McDonalds Corp	1,700 000	3 240		97 37000	97,544 50	165,529 00	5,508 00	0 0333	0 16
Medtronic	11,000 000	1 120		57 32000	299,275 79	630,520 00	12,320 00	0 0195	0 62
Merck & Co	8,700 000	1 760		49 83000	301,877 85	433,521 00	15,312 00	0 0353	0 43
Microsoft	19,800 000	1 120		38 13000	418,421 00	754,974 00	22,176 00	0 0294	0 75
Nestle S A Sponsored ADR	6,200 000	1 816		73 11000	303,146 50	453,282 00	11,259 00	0 0248	0 45
Nextera Energy Inc	9,400 000	2 640		84 59000	319,596 21	795,146 00	24,816 00	0 0312	0 79
Norfolk Sthn Corp	5,800 000	2 080		87 69000	351,042 69	508,602 00	12,064 00	0 0237	0 50
Novartis	6,850 000	2 057		79 12000	400,524 75	541,972 00	14,090 00	0 0260	0 54
Oneok Inc	6,400 000	1 520		58 07000	102,302 90	371,648 00	9,728 00	0 0262	0 37
Pepsico Inc	12,200 000	2 270		84 46000	223,604 93	1,030,412 00	27,694 00	0 0269	1 02
Pfizer Inc	22,000 000	0 960		31 73000	185,339 45	698,060 00	21,120 00	0 0303	0 69

M. G. & Lillie A. Johnson Foundation 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
Philip Morris Intl Inc	12,600 000	3 760		85 54000	119,924 91	1,077,804 00	47,376 00	0 0440	1 07
Procter & Gamble Co	12,500 000	2 406		84 22000	125,334 75	1,052,750 00	30,075 00	0 0286	1 04
Royal Dutch Shell PLC	1,900 000	3 060		66 70000	101,752 70	126,730 00	5,814 00	0 0459	0 13
Schlumberger Ltd	9,200 000	1 250		88 42000	175,717 27	813,464 00	11,500 00	0 0141	0 80
Travelers Cos Inc	6,000 000	2 000		90 74000	300,534 65	544,440 00	12,000 00	0 0220	0 54
Tupperware Brands	3,200 000	2 480		91 34000	201,765 95	292,288 00	7,936 00	0 0272	0 29
United Technologies Corp	2,200 000	2 360		110 86000	151,002 10	243,892 00	5,192 00	0 0213	0 24
Unilever OLC Amer	8,300 000	1 395		40 50000	302,731 15	336,150 00	11,579 00	0.0344	0 33
Verizon Communications	12,000 000	2 120		49 62000	282,819 76	595,440 00	25,440 00	0 0427	0 59
Wal Mart Stores	6,500 000	1 880		81 01000	356,296 50	526,565 00	12,220 00	0 0232	0 52
Williams COS Inc	11,500 000	1 520		35 22000	401,283 61	405,030 00	17,480 00	0 0432	0 40
3M Co	6,700 000	2 540		133 51000	148,446 87	894,517 00	17,018 00	0 0190	0 88
Totals	862,386 000				14,583,684 06	32,549,960 62	919,848 96	0 0283	32 19
Mutual Funds									
American Funds Cap Wld Bond Fund	62,312 418			20 31000	1,286,611 14	1,265,565 21	24,925 00	0 0197	1 25
Columbia Seligman Comm and Inform	11,663 445			48 22000	548,053.81	562,411 32	0 00	0 0000	0 56
Delaware Diversified Floating Rate Clas	116,822 430			8 59000	1,000,000 00	1,003,504 67	21,028 00	0 0210	0 99
Delaware Diversified Income Fund	114,102 144			8 91000	1,016,798 85	1,016,650 10	37,425 00	0 0368	1 01
Dodge & Cox Intl	13,750 000			43 02000	529,488 58	591,525 00	10,271 25	0 0174	0 59
FT-Templeton Global Bond A	93,556 002			13 07000	1,016,669 92	1,222,776 95	64,928 00	0 0531	1 21
FT-Franklin Income A	392,468 512			2 39000	1,000,475 84	937,999 74	50,628 00	0 0540	0 93
Kayne Anderson MLP Investment	20,367 000			37 23000	503,956 52	758,263 41	48,473 00	0 0639	0 75
Kayne Anderson Midstream	16,000 000			32 71000	404,920 25	523,360 00	29,440 00	0 0563	0 52
Loomis Sayles Invest	43,463 754			12 30000	511,852 18	534,604 17	27,382 16	0 0512	0 53
Metropolitan West Total Return Bond	91,157 703			10 68000	1,000,075 00	973,564 27	30,173 00	0 0310	0 96
Oppenheimer Intl Bond A	86,941 000			6 08000	507,423 52	528,601 28	20,257 25	0 0383	0 52
Pimco Real Return Class A	92,013 145			11 22000	1,002,019 43	1,032,387 49	8,925 00	0 0086	1 02
Templeton Global Total Return CL A	92,835 240			13 46000	1,251,851 43	1,249,562 33	78,167 00	0 0626	1 24
Vanguard Convertible Sec Inv	9,202 036			14 63000	101,010 93	134,625 79	3,266 72	0 0243	0 13
Vanguard Energy ADM	953 834			128 32000	100,000 00	122,395 98	2,654 52	0 0217	0 12
Vanguard Wellesley Inc	18,587 361			25 54000	400,000 00	474,721 20	14,033 45	0 0296	0 47
Totals	1,276,196 024				12,181,207 40	12,932,518 91	471,977 35	0 0365	12 80

M. G. & Lillie A. Johnson Foundation 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
Miscellaneous Assets									
Office Equipment	14,828 910				14,828 91	14,828 91			0 01
Machinery & Equipment	2,191 960				2,191 96	2,191 96			0 00
Accumulated Depreciation	-15,387 93				(15,387.93)	(15,387 93)			(0 02)
Total	1,632 940				1,632 94	1,632 94			(0 01)
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	11,298,491 00	6,781,415 49	0 6002	11 18
Accumulated Depletion	-604,454 240				(604,454 24)				
Net Mineral Interests	0 000				0 00	11,298,491 00	6,781,415 49	0.6002	11 18
Real Estate	Acres								
Texas									
Jackson County	939 174				519,499 00	923,390 00	36,960 00	0 0400	0 91
Wharton County-Farm	26 333				21,528 00	127,363 00	871 00	0 0068	0 13
Webb Co Ranch	5,344 564				2,139,301 76	3,610,990 00	67,383 00	0 0187	3 57
Total	6,310 071				2,680,328 76	4,661,743 00	105,214 00	0 0226	4 61
Grand Totals					**64,259,118.99**	**101,089,390.15**	**8,772,149.50**	**0.0868**	**100.00**

GRANTS FOR THE YEAR ENDING NOVEMBER 30, 2013

$50,000.00 to the Lamar Volunteer Fire Department for the construction of a new fire station.

$50,000.00 to the Calhoun County Medical Foundation to purchase mobile workstations for the Memorial Medical Center.

$3,630.44 to the Jackson County Memorial Library to purchase a Tri Base Computer Station.

$75,000.00 to the Crisis Center to renovate its women's shelter.

$75,000.00 to the Refugio County Memorial Hospital District to purchase a digital ultrasound.

$8,000.00 to Christ Kitchen to purchase two gas ranges for its kitchen.

$50,000.00 to the Dacosta Volunteer Fire Department to purchase a brush truck.

$51,280.00 to the Boys & Girls Club of Victoria, Inc. to purchase a 14 passenger bus.

$50,000.00 to the City of Wharton to purchase an ambulance for the Wharton EMS.

$61,475.00 to the Wharton Interfaith Coalition Inc. to renovate its building.

$25,000.00 to the Texas Dentists for Health Smiles Foundation to purchase equipment for its programs.

$29,000.00 to the Seadrift Volunteer Emergency Services to purchase the Jaws-of-Life and breathing air cylinders.

$150,000.00 to the Dewitt Medical Foundation to construct a Wellness Center for the Cuero Community Hospital.

$17,000.00 to the Austwell Volunteer Fire Department to purchase a 20kw generator.

$137,000.00 to the University of Houston-Victoria to purchase library and training materials, along with stipends for five students in the Family Nurse Practitioner Program..

$100,000.00 to the YMCA of the Golden Crescent to renovate a building to be used as a daycare facility. Half of the slots will be reserved for students at The Victoria College.

$50,000.00 to the South Texas Public Broadcasting System, Inc. to relocate its operations to the South Campus of Del Mar College.

$50,000.00 to the Palacios Community Medical Center to match a Department of Agriculture Rural Health Grant to purchase a modular building to be used as a rural health clinic.

$50,000.00 to the Victory in Jesus Recovery Center to purchase a building for its operations.

$100,000.00 to the Goliad County Senior Citizens Center to construct a new building.

$4,800.00 to the Jackson County Memorial Library to purchase a digital copier.

$150,000.00 to the Jackson County Hospital District to construct a new Wellness Center.

$7,400.00 to the Lavaca County Senior Citizens Program to purchase two vehicles.

$50,000.00 to the City of Yoakum to purchase a Type I ambulance for the Yoakum EMS.

$19,300.00 to the Hallettsville Volunteer Fire Department to purchase handheld radios.

$4,500.00 to the Children's Discovery Museum to purchase Lego WeDo Robotic kits and laptops.

$20,000.00 to the Vine Street School to purchase "Sensory Playland" playground equipment.

$10,906.84 to the Salvation Army to purchase beds and appliances.

$500,000.00 to Hospice of South Texas to construct its Creating Hope-Center of Compassion.

$150,000.00 to the El Campo Medical Foundation to purchase a phone system and digital controlled heating and cooling system for the El Campo Hospital.

$700,000.00 to the Victoria College to equip its Emerging Technology Center.

$1,000,000 to the Wharton County Junior College to construct an addition to the Johnson Health Occupation Center.

TOTAL GRANTS PAID-$3,799,292.28

Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

► See separate instructions. ► Attach to your tax return.

OMB No 1545-0172

2012

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 2011 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 do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2013 Add lines 9 and 10, less line 12 ►	13	

Note: *Do not use Part II or Part III below for listed property Instead, use Part V.*

Part II Special Depreciation Allowance and Other Depreciation (Do not 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	424.

Part III MACRS Depreciation (Do not include listed property) (See instructions)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2012	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 ► ☐		

Section B — Assets Placed in Service During 2012 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
19a 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	
			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C — Assets Placed in Service During 2012 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 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	424.
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	