Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

▶ Do not enter Social Security numbers on this form as it may be made public.
▶ Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

OMB No 1545-0052

2013

Open to Public Inspection

For calendar year 2013 or tax year beginning 12/01/13 , and ending 11/30/14

Name of foundation
M. G. & LILLIE A. JOHNSON
FOUNDATION, INC.

Number and street (or P O box number if mail is not delivered to street address)
P. O. BOX 2269

Room/suite

City or town, state or province, country, and ZIP or foreign postal code
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: ☐ 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, col. (c), line 16) ▶ $ 115,271,452

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)
1	Contributions, gifts, grants, etc., received (attach schedule)				
2	Check ▶ ☒ if the foundation is **not** required to attach Sch B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	1,955,482	1,955,482		
5a	Gross rents	67,771	67,771		
b	Net rental income or (loss) 56,204				
6a	Net gain or (loss) from sale of assets not on line 10	2,953,693			
b	Gross sales price for all assets on line 6a				
7	Capital gain net income (from Part IV, line 2)		2,953,693		
8	Net short-term capital gain			0	
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) STMT 1	9,633,648	9,633,648		
12	**Total.** Add lines 1 through 11	14,610,594	14,610,594	0	
13	Compensation of officers, directors, trustees, etc.	194,447	184,447		10,000
14	Other employee salaries and wages	18,050	18,050		
15	Pension plans, employee benefits	40,937	40,937		
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule) STMT 2	11,975	11,975		
c	Other professional fees (attach schedule) STMT 3	202,617	202,617		
17	Interest				
18	Taxes (attach schedule) (see instructions) STMT 4	756,386	484,041		
19	Depreciation (attach schedule) and depletion STMT 5	450	450		
20	Occupancy	19,778	19,778		
21	Travel, conferences, and meetings	4,626	1,095		3,531
22	Printing and publications				
23	Other expenses (att. sch.) STMT 6	29,947	29,947		
24	**Total operating and administrative expenses.** Add lines 13 through 23	1,279,213	993,337	0	13,531
25	Contributions, gifts, grants paid	4,390,225			4,390,225
26	**Total expenses and disbursements.** Add lines 24 and 25	5,669,438	993,337	0	4,403,756
27	Subtract line 26 from line 12.				
a	**Excess of revenue over expenses and disbursements**	8,941,156			
b	**Net investment income** (if negative, enter -0-)		13,617,257		
c	**Adjusted net income** (if negative, enter -0-)			0	

Revenue (lines 1–12); Operating and Administrative Expenses (lines 13–26)

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For Paperwork Reduction Act Notice, see instructions.

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Form **990-PF** (2013)

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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	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash – non-interest-bearing			
	2	Savings and temporary cash investments	13,957,466	8,670,726	8,670,726
	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 (att. schedule) ▶			
		Less. allowance for doubtful accounts ▶ 0			
	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) SEE STMT 7	47,619,690	60,108,576	86,027,393
	c	Investments – corporate bonds (attach schedule) SEE STMT 8		1,769,561	1,372,794
	11	Investments – land, buildings, and equipment basis ▶ 2,680,329			
		Less accumulated depreciation (attach sch) ▶ STMT 9	2,680,329	2,680,329	4,772,253
	12	Investments – mortgage loans			
	13	Investments – other (attach schedule)			
	14	Land, buildings, and equipment basis ▶ 16,687			
		Less accumulated depreciation (attach sch) ▶ STMT 10 12,786	1,209	3,901	3,901
	15	Other assets (describe ▶ SEE STATEMENT 11)	30,364	2,240	14,424,385
	16	**Total assets** (to be completed by all filers – see the instructions Also, see page 1, item I)	64,289,058	73,235,333	115,271,452
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶ SEE STATEMENT 12)		5,119	
	23	**Total liabilities** (add lines 17 through 22)	0	5,119	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds	64,289,058	73,230,214	
	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)	64,289,058	73,230,214	
	31	**Total liabilities and net assets/fund balances** (see instructions)	64,289,058	73,235,333	

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	64,289,058
2	Enter amount from Part I, line 27a	2	8,941,156
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	73,230,214
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	73,230,214

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P – Purchase D – Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a	CAPITAL GAIN DISTRIBUTIONS			
b	SCHEDULE ATTACHED	P		
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	194,263			194,263
b	2,759,430			2,759,430
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) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a				194,263
b				2,759,430
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	2,953,693
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	

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2012	3,817,775	93,815,751	0.040694
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

2 **Total** of line 1, column (d)	2	0.235063
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	0.047013
4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5	4	109,378,328
5 Multiply line 4 by line 3	5	5,142,203
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	136,173
7 Add lines 5 and 6	7	5,278,376
8 Enter qualifying distributions from Part XII, line 4	8	4,403,756

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter: **(attach copy of letter if necessary—see instructions)**				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b			1	272,345
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	272,345
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	272,345
6	Credits/Payments.				
a	2013 estimated tax payments and 2012 overpayment credited to 2013	6a	267,226		
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	267,226
8	Enter any **penalty** for underpayment of estimated tax Check here ☒ if Form 2220 is attached			8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	5,119
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	
11	Enter the amount of line 10 to be **Credited to 2014 estimated tax** ▶ Refunded ▶			11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? 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.	1b		X
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 ▶ $ ______ **(2)** On foundation managers ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ______			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: ● By language in the governing instrument, or ● By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ TX			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2013 or the taxable year beginning in 2013 (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
ONE O'CONNOR PLAZA, SUITE 905
Located at ▶ VICTORIA TX ZIP+4 ▶ 77901

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** – Check here ▶ ☒
and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 0

			Yes	No
16	At any time during calendar year 2013, 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
1a	*During the year did the foundation (either directly or indirectly).*				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☒ Yes ☐ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? **(Exception.** Check "No" if the *foundation agreed to make a grant to or to employ the official for a period after* termination of government service, if terminating within 90 days)	☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?		1b		X
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2013?	N/A	1c		
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 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013?	☐ Yes ☒ 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)	N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ 20 , 20 , 20 , 20				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2013 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 2013)	N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2013?		4b		X

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 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)? N/A **5b**

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

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

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

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** X

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 13				

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 VICTORIA ONE O'CONNOR PLAZA TX 77901	INVSTMT ADVISOR	93,558
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 ▶	

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	82,292,202
b	Average of monthly cash balances	1b	9,555,230
c	Fair market value of all other assets (see instructions)	1c	19,196,556
d	**Total** (add lines 1a, b, and c)	1d	111,043,988
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	111,043,988
4	Cash deemed held for charitable activities Enter 1½% of line 3 (for greater amount, see instructions)	4	1,665,660
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	109,378,328
6	**Minimum investment return.** Enter 5% of line 5	6	5,468,916

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	5,468,916
2a	Tax on investment income for 2013 from Part VI, line 5 — 2a: 272,345		
b	Income tax for 2013. (This does not include the tax from Part VI.) — 2b:		
c	Add lines 2a and 2b	2c	272,345
3	Distributable amount before adjustments Subtract line 2c from line 1	3	5,196,571
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	5,196,571
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	5,196,571

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	4,403,756
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	4,403,756
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	0
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	4,403,756

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 2012	(c) 2012	(d) 2013
1	Distributable amount for 2013 from Part XI, line 7				5,196,571
2	Undistributed income, if any, as of the end of 2013:				
a	Enter amount for 2012 only			3,827,664	
b	Total for prior years 20____ , 20____ , 20____				
3	Excess distributions carryover, if any, to 2013:				
a	From 2008				
b	From 2009				
c	From 2010				
d	From 2011				
e	From 2012				
f	**Total** of lines 3a through e				
4	Qualifying distributions for 2013 from Part XII, line 4. ▶ $ 4,403,756				
a	Applied to 2012, but not more than line 2a			3,827,664	
b	Applied to undistributed income of prior years (Election required – see instructions)				
c	Treated as distributions out of corpus (Election required – see instructions)				
d	Applied to 2013 distributable amount				562,561
e	Remaining amount distributed out of corpus	0			
5	Excess distributions carryover applied to 2013 (If an amount appears in column (d), the same amount must be shown in column (a).)	0			
6	**Enter the net total of each column as indicated below:**				
a	Corpus Add lines 3f, 4c, and 4e. Subtract line 5				
b	Prior years' undistributed income Subtract line 4b from line 2b				
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				
d	Subtract line 6c from line 6b Taxable amount – see instructions				
e	Undistributed income for 2012. Subtract line 4a from line 2a Taxable amount – see instructions				
f	Undistributed income for 2013. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2014				4,634,010
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8	Excess distributions carryover from 2008 not applied on line 5 or line 7 (see instructions)				
9	**Excess distributions carryover to 2014.** Subtract lines 7 and 8 from line 6a				
10	Analysis of line 9:				
a	Excess from 2009				
b	Excess from 2010				
c	Excess from 2011				
d	Excess from 2012				
e	Excess from 2013				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2013, 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) 2013	(b) 2012	(c) 2011	(d) 2010	(e) Total
2a 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))

N/A

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.

N/A

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

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

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

ROBERT HALEPESKA 361-575-7970
P. O. BOX 2269 VICTORIA TX 77902

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

SEE STATEMENT 14

c Any submission deadlines

30 DAYS PRIOR TO THE MEETING DATE(S) OF THE TRUSTEES

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

SEE STATEMENT 15

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				4,390,225
Total			▶ 3a	4,390,225
b Approved for future payment N/A				
Total			▶ 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
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	1,955,482	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property			16	56,204	
6 Net rental income or (loss) from personal property					
7 Other investment income			15	9,633,648	
8 Gain or (loss) from sales of assets other than inventory			18	2,953,693	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0		14,599,027	0

13 **Total.** Add line 12, columns (b), (d), and (e) 13 14,599,027

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

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

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

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

b If "Yes," complete the following schedule.

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

Sign Here

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

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

Signature of officer or trustee

Date 3/25/15

Title EXECUTIVE VP

Paid Preparer Use Only

Print/Type preparer's name PAULA G LESKE, CPA

Preparer's signature Paula Leske

Date 3/3/15

Check ☐ if self-employed

PTIN P00047020

Firm's name ▶ BUMGARDNER, MORRISON & CO, LLP

Firm's EIN ▶ 74-1194944

Firm's address ▶ PO BOX 3750
VICTORIA, TX 77903

Phone no 361-575-0271

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
OIL & GAS RELATED INCOME	$ 172,430	$ 172,430	$
OIL & GAS ROYALTIES	9,461,218	9,461,218	
TOTAL	$ 9,633,648	$ 9,633,648	$ 0

Statement 2 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
ROLOFF HNATEK & CO	$ 9,625	$ 9,625	$	$
BUMGARDNER MORRISON & CO	2,350	2,350		
TOTAL	$ 11,975	$ 11,975	$ 0	$ 0

Statement 3 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
PROSPERITY BANK	$ 25,755	$ 25,755	$	$
WELLS FARGO & CO	93,558	93,558		
AMERITRADE (SATHER FINANCIAL)	37,126	37,126		
UBS PAINE WEBBER	46,178	46,178		
TOTAL	$ 202,617	$ 202,617	$ 0	$ 0

Statement 4 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
PAYROLL TAXES	$ 10,666	$ 10,666	$	$
AD VALOREM	156,371	156,371		
EXCISE	272,345			
SEVERANCE TAXES	308,322	308,322		
FOREIGN TAXES	8,682	8,682		
TOTAL	$ 756,386	$ 484,041	$ 0	$ 0

Statement 5 - Form 990-PF, Part I, Line 19 - Depreciation

Description							
Date Acquired	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
	$	$			$ 450	$ 450	$
TOTAL	$ 0	$ 0			$ 450	$ 450	$ 0

Statement 6 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	$	$	$	$
RENT 1				
REPAIRS	11,567	11,567		
EXPENSES				
OFFICE EXPENSE	3,638	3,638		
DUES & SUBSCRIPTIONS	3,639	3,639		
INSURANCE	10,801	10,801		
BANK FEES	302	302		
TOTAL	$ 29,947	$ 29,947	$ 0	$ 0

Statement 7 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
	$ 47,619,690	$ 60,108,576		$ 86,027,393
TOTAL	$ 47,619,690	$ 60,108,576		$ 86,027,393

Statement 8 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
CORPORATE BONDS & NOTES	$	$ 1,769,561		$ 1,372,794
TOTAL	$ 0	$ 1,769,561		$ 1,372,794

Statement 9 - Form 990-PF, Part II, Line 11 - Land, Building, and Equipment Investments

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
REAL ESTATE	$ 2,680,329	$ 2,680,329	$	$ 4,772,253
TOTAL	$ 2,680,329	$ 2,680,329	$ 0	$ 4,772,253

Statement 10 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
	$ 1,209	$ 16,687	$ 12,786	$ 3,901
TOTAL	$ 1,209	$ 16,687	$ 12,786	$ 3,901

Statement 11 - Form 990-PF, Part II, Line 15 - Other Assets

Description	Beginning of Year	End of Year	Fair Market Value
EXCISE TAX OVERPAYMENT	$ 29,226	$	$
MINERAL INTERESTS	1	1	14,422,146
PAYROLL TAX OVERPAYMENT	1,137	2,239	2,239
TOTAL	$ 30,364	$ 2,240	$ 14,424,385

Statement 12 - Form 990-PF, Part II, Line 22 - Other Liabilities

Description	Beginning of Year	End of Year
EXCISE TAX	$	$ 5,119
TOTAL	$ 0	$ 5,119

Statement 13 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees, Etc.

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
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	1,000	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
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	VICE CHAIR	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 VP	40.00	184,447	40,937	0

Statement 14 - Form 990-PF, Part XV, Line 2b - Application Format and Required Contents

Description
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 AND THE LENGTH OF TIME WITHIN WHICH THE FUNDS WILL BE EXPENDED.

Form 990-PF, Part XV, Line 2c - Submission Deadlines

Description
30 DAYS PRIOR TO THE MEETING DATE(S) OF THE TRUSTEES

Statement 15 - Form 990-PF, Part XV, Line 2d - Award Restrictions or Limitations

Description
GENERALLY PREFER TO CONFINE FUNDING TO HEALTH CARE OR HIGHER EDUCATION RELATED ORGANIZATIONS.

Federal Statements

Taxable Dividends from Securities

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code	US Obs ($ or %)
	$ 108,427		14		
	1,847,055		14		
TOTAL	$ 1,955,482				

Other Investment Income

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code
OIL & GAS RELATED INCOME	$ 172,430		15	
TOTAL	$ 172,430			

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

CAPITAL GAINS & LOSSES YEAR ENDING NOVEMBER 30, 2014

DATE	ASSET	SHARES	DATE ACQUIRED	PROCEEDS	BASIS	GAIN (LOSS)	
	Ameritrade						
12/31/2013						3,656 05	Short Term
01/31/2014						5,769 89	Short Term
2/28/2014						4,793 34	Short Term
3/31/2014						9,963 74	Short Term
5/31/2014						10,861 65	Short Term
6/30/2014						11,908 18	Short Term
7/31/2014						8,549 65	Short Term
8/31/2014						11,466 16	Short Term
9/30/2014						-46,227 02	Short Term
9/30/2014						57,373 34	Short Term
10/31/2014						15,543 31	Short Term
11302014						28,870 19	Short Term
	WELLS FARGO-INTERNATIONAL						
12/31/2013						3,164 12	Short Term
1/31/2014						5,415 82	Short Term
2/28/2014						-2,205 20	Short Term
3/31/2014						-5,641 75	Short Term
4/3/2014						-1,630 03	Short Term
5/31/2014						2,187 05	Short Term
6/30/2014						-4,447 61	Short Term
7/31/2014						-3,001 19	Short Term
8/31/2014						1,665 56	Short Term
9/30/2014						-485 41	Short Term
	WELLS FARGO-MIDCAP						
12/31/2013						5,032 57	Short Term
						59,102 08	Long Term
1/31/2014						6,165 23	Short Term
2/28/2014						-3,500 57	Long Term
						-21,114 97	Short Term
3/31/2014						-7,295 56	Short Term
4/30/2014						20,563 10	Short Term
						2,585 95	Long Term
5/31/2014						-85,924 39	Long Term
6/30/2014						-34,680 46	Short Term
						-3,686 78	Long Term
7/31/2014						20,562 29	Short Term
8/31/2014						4,004 10	Short Term
						1,296 51	Long Term
9/30/2014						-1,902 99	Short Term

M.G. and Lillie A. Johnson Foundation, Inc.
Assets as of November 30, 2014

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	4,742,925 440	0 2000		1 00000	4,742,925.44	4,742,925 44	9,485 85	0 0020	4 11
Paine Webber MMKT	1,213,881.750	0 0100		1 00000	1,213,881 75	1,213,881 75	121 39	0 0010	1 05
PrimeVest MMKT	2,713,919 360	0 0100		1 00000	2,713,919 36	2,713,919 36	271 39	0 0001	2 35
Total	8,670,726.550				8,670,726 55	8,670,726 55	9,878 63	0 0031	7 51
Managed Investment Accounts									
Kayne Small Cap Eq	2,791,941 190	1 071			2,791,941 19	3,794,320 70	40,628 00	0 0107	3 29
Ameritrade	5,126,228 430	1 000			5,126,228 43	5,383,003 92	147,000.00	0 0273	4 67
Wells Fargo-Midcap	11,310,970 270	1 732			11,310,970 27	15,072,673 18	260,997 96	0 0173	13 07
Prosperity Bank-Mutual Funds	9,725,350 370	2 172			9,725,350 37	10,068,099 91	218,713 50	0 0217	8 73
Total	28,954,490 260				28,954,490 26	34,318,097 71	667,339 46	0 0194	29 76
Investments									
Corporate Bonds & Notes									
General Elec Cap Corp	400,000 000	6 000	02/15/17	1.09665	400,000 00	449,072 00	24,000 00	0.0534	0 39
Caterpillar Fincl Svcs	200,000 000	7 150	02/15/19	1 20502	187,230 00	246,686 00	14,300 00	0 0580	0 21
GE Capital Internotes	500,000 000	5 100	02/15/19	1 09876	500,000 00	557,560 00	25,500 00	0 0457	0 48
Lehman Bros Holdings	1,000,000 000	0 000	01/29/21	0 01438	682,331 48	181,250 00	0 00	0 0000	0 16
	2,600,000 00				1,769,561 48	1,434,568 00	63,800 00	0 0445	1 24
Common Stock									
AT&T	6,400 00	1.840		35 38000	198,153 46	226,432 00	11,776 00	0 0520	0 20
Abbott Labs	10,000 000	0 880		44 51000	60,370 60	445,100 00	8,800 00	0 0198	0.39
AEP Inc	3,400 000	2.120		57 55000	100,622 70	195,670 00	7,208 00	0 0368	0 17
American Express Co	8,200 000	1.040		92 42000	350,495 72	757,844 00	8,528.00	0.0113	0 66
American Wtr Wks	6,100.000	1 240		53 05000	296,733 75	323,605 00	7,564 00	0 0234	0 28
Baker Hughes	3,400 000	0 680		57 00000	196,955 83	193,800 00	2,312 00	0 0119	0 17
Berkshire Hathaway	5,000 000	0 000		148 69000	252,219.95	743,450 00	0 00	0 0000	0 64
Bristol Myers Squibb Co	14,800 000	1.440		59 05000	352,198 67	873,940 00	21,312 00	0.0244	0.76
Caterpillar Inc	3,300 000	2.800		100 60000	198,184 95	331,980 00	9,240 00	0 0278	0 29
Chevron Texaco Corp	8,600.000	4 280		108 87000	242,365 03	936,282 00	36,808 00	0 0393	0 81
Chicago Bridge & Iron Co	5,600 000	0 280		50 03000	399,794 45	280,168 00	1,568 00	0 0056	0 24
Cisco	15,250 000	0.760		27 64000	400,012 75	421,510 00	11,590 00	0 0275	0 37
Coca-Cola Co	4,000 000	1.220		44 83000	97,485 90	179,320 00	4,880 00	0 0272	0 16
Cole Credit Property Trust III	50,000 000	0 700		10 70000	500,000 00	535,000 00	35,000 00	0 0654	0 46

Description	Shares Par Value	Interest/ Dividend Rate	Maturity Date	Unit Market Price	Cost Basis	Market Value	Estimated Annual Income	Current Yield	% of Account
Cole Credit Property Trust V	20,202 020	0 700		10 70000	500,000.00	216,161 61	14,141 41	0 0654	0 19
Colgate Palmolive	15,200 000	1 440		69 59000	206,453 64	1,057,768 00	21,888 00	0 0207	0.92
Comcast Corp	5,500 000	0 900		57 04000	290,617 75	313,720 00	4,950 00	0 0158	0 27
CONS Energy	8,600 000	0 250		39 13000	403,892 99	336,518 00	2,150 00	0 0064	0 29
CSX Corporation	16,000 000	0 640		36 49000	309,675 37	583,840 00	10,240.00	0 0175	0 51
Danaher Corp	16,400.000	0 400		83 56000	244,989 70	1,370,384 00	6,560 00	0 0048	1 19
Dominion Resources Inc	10,000 000	2 400		72 55000	558,570.84	725,500 00	24,000 00	0 0331	0 63
Dow Chemical	9,500 000	1 480		48 67000	394,022 95	462,365 00	14,060 00	0 0304	0 40
Duke Energy	8,433.000	3 180		80 90000	554,433.39	682,229 70	26,816 94	0 0393	0 59
Eastman Chemical Co	3,400 000	1 400		82 92000	297,382.88	281,928 00	4,760 00	0 0169	0 24
Emerson Elec Co	13,300 000	1 880		63 75000	175,816 66	847,875.00	25,004 00	0 0295	0.74
Energy Transfer	4,600 000	3 900		65 17000	201,301 25	299,782 00	17,572 00	0 0586	0 26
Enterprise Products Partner	10,000 000	1 460		37 34000	204,245 23	373,400 00	14,400 00	0 0386	0 32
Exxon Mobil Corp.	11,153 000	2 760		90 54000	177,201.23	1,009,792 62	30,782 00	0 0305	0 88
Fastenal Co	5,600 000	1 000		45.02000	197,722.72	252,112 00	5,600 00	0 0222	0 22
Fedex Corp	4,000 000	0 800		178 18000	339,999 25	712,720 00	3,200 00	0 0045	0 62
Glaxo SmithKline PLC	8,500 000	2 651		46 45000	403,610 75	394,825 00	22,534 00	0 0571	0.34
General Mills Inc	3,400.000	1 640		52 75000	96,715 91	179,350 00	5,576 00	0 0311	0.16
Halliburton	5,200 000	0.720		42.20000	200,654 56	219,440 00	3,744 00	0 0171	0.19
Home Depot	11,400 000	1.880		99 40000	302,762 81	1,133,160 00	21,432 00	0 0189	0 98
Home Properties Inc	2,900 000	2 920		65 19000	102,767 87	189,051 00	8,468 00	0 0448	0 16
Honeywell	4,400 000	2 070		99 07000	400,629 53	435,908 00	9,108 00	0 0209	0 38
Intel	30,200 000	0 900		37 25000	229,617 58	1,124,950 00	27,180 00	0 0242	0 98
Intl Business Mach	5,000 000	4 400		162 17000	407,275 25	810,850 00	22,000 00	0 0271	0 70
Johnson & Johnson Company	14,000 000	2 800		108 25000	138,653 80	1,515,500 00	39,200.00	0 0259	1 31
JPMorgan Chase & Co	7,000.000	1 600		60.16000	404,249 75	421,120 00	11,200 00	0.0266	0 37
McDonalds Corp	1,700 000	3 400		96 81000	97,544 50	164,577 00	5,780 00	0 0351	0 14
Medtronic	11,000.000	1 220		73 87000	299,275 79	812,570.00	13,420 00	0 0165	0 70
Merck & Co	8,700 000	1 800		60 40000	301,877 85	525,480 00	15,660 00	0 0298	0 46
Metlife Inc	7,100 000	1 400		55 61000	402,936 05	394,831 00	9,940 00	0 0252	0 34
Microsoft	19,800 000	1 240		47.81000	418,421 00	946,638 00	24,552 00	0 0259	0 82
National Grid PLC	5,400 000			72.60000	401,490 95	392,040.00	0 00	0.0000	0.34
Nestle S A Sponsored ADR	6,200 000	2 027		75 05000	303,146 50	465,310 00	12,567 00	0 0270	0 40
Nextera Energy Inc	9,400.000	2 900		104 39000	319,596 21	981,266 00	27,260 00	0 0278	0.85
Norfolk Sthn Corp	5,800 000	2 280		111 64000	351,042 69	647,512 00	13,224 00	0 0204	0 56
Novartis	6,850 000	2 338		96 65000	400,524 75	662,052 50	16,015 00	0 0242	0.57
Oneok Inc	6,400.000	2 360		54 16000	89,605 87	346,624.00	15,104 00	0.0436	0 30
Pepsico Inc	12,200 000	2 620		100 10000	223,604 93	1,221,220 00	31,964 00	0 0262	1 06
Pfizer Inc	22,000.000	1 040		31 15000	185,339 45	685,300.00	22,880 00	0 0334	0 59
Philip Morris Intl Inc	4,600 000	4 000		86 93000	43,782 11	399,878.00	18,400 00	0 0460	0 35
Plains All American Pipeline	5,000 000	2 640		51 45000	295,447 49	257,250 00	13,200 00	0 0513	0 22

Description	Shares Par Value	Interest/ Dividend Rate	Maturity Date	Unit Market Price	Cost Basis	Market Value	Estimated Annual Income	Current Yield	% of Account
Procter & Gamble Co	12,500 000	2 574		90 43000	125,334 75	1,130,375.00	32,175.00	0.0285	0 98
Qualcomm Inc	5,100 000	1 680		72 90000	407,125.75	371,790 00	8,568 00	0 0230	0 32
Royal Dutch Shell PLC	4,300 000	3 196		66 41000	298,768.64	285,563 00	13,743 00	0 0481	0 25
Schlumberger Ltd.	9,200 000	1 600		85 95000	175,717 27	790,740 00	14,720 00	0 0186	0 69
Toronto-Dominion Bank	5,900 000	1 669		50 49000	298,833 25	297,891.00	9,847 00	0 0331	0 26
Travelers Cos Inc.	6,000 000	2 200		104 45000	300,534 65	626,700 00	13,200 00	0 0211	0 54
Tupperware Brands	3,200 000	2 720		67 25000	201,765 95	215,200 00	8,704 00	0 0404	0 19
United Technologies Corp	2,200 000	2.360		110 08000	151,002 10	242,176 00	5,192 00	0 0214	0 21
Unilever OLC Amer	8,300 000	1.492		42 14000	302,731.15	349,762 00	12,384 00	0.0354	0.30
Verizon Communications	12,000 000	2 200		50 59000	282,819 76	607,080.00	26,400 00	0 0435	0 53
Wal Mart Stores	6,500 000	1 920		87 54000	356,296 50	569,010 00	12,480 00	0 0219	0 49
Williams COS Inc	11,500 000	2 280		51 75000	401,283 61	595,125 00	26,220 00	0 0441	0 52
3M Co	6,700 000	3 420		160 09000	148,446 87	1,072,603 00	22,914 00	0 0214	0 93
Totals	617,088 020				18,973,153 81	38,450,914 43	1,009,665 35	0 0263	33 35
Mutual Funds									
American Funds Cap Wld Bond Fund	62,312 418			20.42000	1,286,611 14	1,272,419 58	21,186 00	0 0167	1 10
Columbia Seligman Comm and Inform	11,663 445			61 94000	548,053 81	722,433 78	0 00	0 0000	0 63
Delaware Diversified Floating Rate Clas	116,822 430			8 53000	1,000,000 00	996,495 33	20,794 00	0 0209	0 86
Delaware Diversified Income Fund	114,102 144			9 09000	1,016,798 85	1,037,188 49	39,023 00	0 0376	0 90
Dodge & Cox Intl	13,750 000			45 21000	529,488 58	621,637 50	9,556 00	0 0154	0.54
FT-Templeton Global Bond A	93,556 002			13 21000	1,016,669 92	1,235,874 79	37,422 00	0 0303	1 07
FT-Franklin Income A	392,468 512			2 45000	1,000,475 84	961,547 85	47,489 00	0 0494	0 83
Kayne Anderson MLP Investment	20,367 000			38 14000	503,956 52	776,797.38	52,954 00	0 0682	0 67
Kayne Anderson Midstream	16,000 000			35 82000	404,920 25	573,120 00	31,200 00	0 0544	0 50
Loomis Sayles Invest	43,463 754			12 16000	511,852 18	528,519 25	22,732.00	0 0430	0 46
Metropolitan West Total Return Bond	91,157 703			10 93000	1,000,075 00	996,353 69	20,875 00	0 0210	0 86
Oppenheimer Intl Bond A	86,941 000			6 01000	507,423 52	522,515 41	16,519 00	0 0316	0.45
Pimco Real Return Class A	92,013 145			11 41000	1,002,019 43	1,049,869 98	11,594.00	0 0110	0.91
Templeton Global Total Return CL A	92,835 240			13 37000	1,251,851 43	1,241,207 16	47,717 00	0.0384	1 08
Vanguard Convertible Sec Inv	9,202 036			13 85000	101,010 93	127,448 20	3,911 00	0 0307	0 11
Vanguard Specialized Port Energy	953 834			111 63000	100,000 00	106,476 49	2,109 00	0.0198	0 09
Vanguard Wellesley Inc	18,587.361			26 28000	400,000 00	488,475 85	14,740 00	0.0302	0 42
Totals	1,213,883 606				12,181,207 40	13,258,380 73	399,821 00	0 0302	11 48
Miscellaneous Assets									
Office Equipment	17,970 470				17,970.47	17,970 47			0.02
Machinery & Equipment	2,191 960				2,191 96	2,191 96			0 00
Accumulated Depreciation	-15,811 94				(15,811 94)	(15,387 93)			(0 01)

Description	Shares Par Value	Interest/ Dividend Rate	Maturity Date	Unit Market Price	Cost Basis	Market Value	Estimated Annual Income	Current Yield	% of Account
Total	20,162 430				4,350 49	4,774 50			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	14,422,146 00	6,781,415.49	0 4702	12 50
Accumulated Depletion	-604,454 240				(604,454 24)				0 00
Net Mineral Interests	0 000				0 00	14,422,146 00	6,781,415 49	0 4702	12 50
Real Estate	Acres								
Texas									
Jackson County	939 174				519,499 00	923,390 00	12,500 00	0.0135	0 80
Wharton County-Farm	26 333				21,528 00	127,363 00	871 00	0 0068	0 11
Webb Co Ranch	5,344 564				2,139,301 76	3,721,500 00	67,383 00	0 0181	3 23
Total	6,310 071				2,680,328 76	4,772,253 00	80,754 00	0 0169	4 14
Grand Totals					**73,233,818.75**	**115,331,860.92**	**9,012,673.93**	**0.0781**	**100.00**

M.G. & Lillie A. Johnson Foundation, Inc. 74-6076961
Fixed Assets
Depreciation Schedule
FYE 11/30/14

Description	Date Acquired	Cost	Method	Life	PY Accumulated Depreciation at 11/30/13	Depreciation Expense	Accumulated Depreciation at 11/30/14
1300 - Furniture & Equipment:							
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
5 Shelf Bookcase	06/07	433.18	Straight-Line	10 Years	281.57	43.32	324.89
Executive Chair	06/07	792.07	Straight-Line	10 Years	514.86	79.21	594.07
60x60 Chairmat	06/07	270.69	Straight-Line	10 Years	175.96	27.07	203.03
Corner Desk, Drawer, & Keyboard	06/07	687.80	Straight-Line	10 Years	447.09	68.78	515.87
36", 2 File Cabinet	06/07	494.02	Straight-Line	10 Years	321.11	49.40	370.51
48x24 File Cabinet	06/07	388.21	Straight-Line	10 Years	252.33	38.82	291.16
48x24 File Cabinet	06/07	388.21	Straight-Line	10 Years	252.33	38.82	291.16
Computer System	10/14	3,141.56	Straight-Line	5 Years	-	104.72	104.72
1320 - Mach & Equipment:							
Printer/Fax Machine	11/09	392.96	Straight-Line	5 Years	392.96	-	392.96
Dell Computer	12/06	1,799.00	Straight-Line	5 Years	1,799.00	-	1,799.00
Totals		16,686.63			12,336.14	450.14	12,786.28

	ASSET	SHARES	DATE ACQUIRED	PROCEEDS	BASIS	GAIN (LOSS)	
10/31/2014						8,576 41	Short Term
						40,619 94	Long Term
11302014						-42,082 86	Short Term
	PROSPERITY CUSTODIAL ACCOUNT						
12/31/2013						41,182 33	Long Term
						2,111 98	Short Term
2/28/2014						-130,837 95	Long Term
5/31/2014						60,652 77	Long Term
6/30/2014						4,557 17	Short Term
						24,244 13	Long Term
10/31/2014						531,599 33	Long Term
	UBS FINANCIAL SERVICES-KAYNE ANDERSON						
12/31/2013						53,373 55	Long Term
1/31/2014						106,081 38	Long Term
2/28/2014						21,007 53	Long Term
						-533 18	Short Term
3/31/2014						55,330 14	Long Term
5/31/2014						5,604 52	Long Term
6/30/2014						-16,321 82	Short Term
						48,133 90	Long Term
7/31/2014						62,607 49	Short Term
9/30/2014						10,907 91	Long Term
10/31/214						17,156 45	Long Term
11/30/2014						1,231 35	Short Term
						47,892 05	Long Term

	ASSET	SHARES	DATE ACQUIRED	PROCEEDS	BASIS	GAIN (LOSS)	
	PRIME VEST-MUTUAL FUNDS						
12/31/2013	LOOMIS SAYLES					91 27	Short Term
	LOOMIS SAYLES					13,612 85	Long Term
	VANGUARD ENERGY					67 72	Short Term
	VANGUARD ENERGY					2,146 13	Long Term
	VANGUARD WELLESLEY					855 02	Short Term
	VANGUARD WELLESLEY					11,765 80	Long Term
	VANGUARD CONVERTIBLE					2,640 98	Short Term
	VANGUARD CONVERTIBLE					6,238 98	Long Term
	OPPENHEIMER INT'L,					187 79	Long Term
3/24/2014	VANGUARD ENERGY					388 21	Long Term
7/31/2014	KITE REALTY GROUP					29,012 28	Long Term
	INDIVIDUALLY HELD SECURITIES						
12/31/2013	PIMCO REAL RETURN					5,755 42	Long Term
	METROPOLITAN WEST					5,884 23	Long Term
	FRANKLIN TEMPLETON					290 02	Long Term
	COLUMBIA SELIGMAN					9,128 86	Long Term
6/30/2014	ALTRIA GROUP	17,600	1/90-6/10	1,104,881 45	152,374 18	603,305 82	Long Term
	ABBVIE INC	10000	3/92-10/97	543,203 21	78,035 20	477,736 44	Long Term
	PHILIP MORRIS	8000	1/90-3/92	726,993 03	65,755 49	650,850 23	Long Term
	ONE GAS INC	1600	6/09-8/09	61,411 63	12,972 70	48,439 62	Long Term
7/31/2014	BELL SOUTH CORP DEB					53,444 20	Long Term
	TOTAL GAINS & LOSSES					**2,953,692.34**	

GRANTS PAID FOR THE YEAR ENDING NOVEMBER 3, 2014

$250,000.00 to the Gulf Bend Center to construct a Wellness Center.

$50,000.00 to the Garwood Volunteer Fire Department for a rescue truck.

$3,000.00 to First Book-Matagorda County to purchase books for children living in Matagorda County.

$50,000.00 to the Refugio County Memorial Hospital to purchase a Type I Ambulance.

$50,000.00 to the Foster Parents of Victoria to construct a building for its water system and storage, build two concrete pads and extend its parking area.

$40,000.00 to the Nursery Volunteer Fire Department to purchase a rescue/brush truck.

$50,000.00 to the City of Wharton EMS to purchase a chassis and remount a box for a new ambulance.

$131,500.00 to Just Do It Now, Inc. to replace the chiller/boiler at its facility.

$100,000.00 to the Boys & Girls Club of El Campo to renovate its gym and teen rooms.

$46,150.00 to the Wharton County Library to renovate the facility at its El Campo branch.

$50,000.00 to the Ander-Weser Volunteer Fire Department to purchase a Rescue/Tanker truck.

$50,000.00 to the Inez Volunteer Fire Department to purchase a Tanker truck.

$100,000.00 to the South Texas Children's Home to renovate the Fredrick Cottage located at its Marshall Campus in Goliad.

$50,000.00 to the Calhoun County EMS to purchase power cots and power load systems for its ambulances.

$50,000.00 to the City of Edna to purchase a chassis and remount the patient compartment on a 2005 ambulance for the Edna EMS.

$42,575.00 to Jackson County to purchase "Watch Guard 4Re" video systems for the Sheriff's Department's patrol cars.

$20,000.00 to the Billy Cattan Recovery Outreach Center to purchase computers, a file server and a phone system.

$50,000.00 to the Mid-Coast Family Services to purchase two cars, 3 AED Defibrillators and six desk top computers.

$50,000.00 to the El Campo EMS to purchase a Type I ambulance.

$42,000.00 to the Olivia Port Alto Volunteer Fire Department to purchase a cab and chassis for a new fire rescue truck.

$30,000.00 to the City of Victoria to purchase Lund Hospital Cardiac Arrest System 2 DPR devices for the Victoria Fire Department.

$100,000.00 to the Gulf Bend Center to construct a Wellness Center.

$250,000.00 to the YMCA of the Golden Crescent for renovations and improvements at its facility.

$30,000.00 to the Victoria County Senior Citizens Association to purchase a wheelchair accessible van, a new A/C system and a new exhaust hood system for its kitchen.

$65,000.00 to the Boys & Girls Club of Victoria to purchase a 3 new 20 ton A/C units to be mounted on new concrete slabs.

$250,000.00 the El Campo Medical Foundation to purchase new air-cooled chillers and cooling towers for the El Campo Hospital.

$100,000.00 to the Hospice of South Texas to construct a Creating Hope-Center of Compassion.

$160,000.00 to the Jackson County Hospital District to complete the installation of an Electronic Health Records System for the Jackson County Hospital.

$700,000.00 to the Wharton County Junior College to construct an addition to the Johnson Health Occupation Center. This is a partial payment of the 2014 commitment of $1,000,000.00.

$780,000.00 to The Victoria College to purchase equipment for the College's Emerging Technology Center. This is the final installment on a grant commitment of $1,980,000.00.

$250,000.00 to the Wharton County Junior College for endowed Scholarships in memory of Lloyd Rust.

$250,000.00 to the Victoria College for Endowed Scholarships in behalf of Munson Smith.

$100,000.00 to the University of Houston-Victoria for stipends for students in the Family Nurse Practitioner Program.

$50,000.00 to the Perpetual Help Home to renovate its facility.

Total Grans Paid-$4,390,225.00