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## Return of Private Foundation

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

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Information about Form 990-PF and its separate instructions is at [www.irs.gov/form990pf](http://www.irs.gov/form990pf).

2015

Open to Public Inspection

For calendar year 2015 or tax year beginning NOV 1, 2015, and ending OCT 31, 2016

Name of foundation

A Employer identification number

Effie and Wofford Cain Foundation

75-6030774

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

Room/suite

4131 Spicewood Springs Road

A-1

B Telephone number

512-346-7490

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

Austin, TX 78759

C If exemption application is pending, check here ☐

G Check all that apply:

☐ Initial return☐ Initial return of a former public charity☐ Final return☐ Amended return☐ Address change☐ Name changeD 1. Foreign organizations, check here ☐2. Foreign organizations meeting the 85% test, check here and attach computation ☐

H Check type of organization:

☒ Section 501(c)(3) exempt private foundation☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundationE If private foundation status was terminated under section 507(b)(1)(A), check here ☐

I Fair market value of all assets at end of year

J Accounting method: ☒ Cash ☐ Accrual

(from Part II, col. (c), line 16)

☐ Other (specify)

\$ 118625031. (Part I, column (d) must be on cash basis)

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

## Part I Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)

(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

| Revenue                               | 1 Contributions, gifts, grants, etc., received                                                |           |          | N/A      |
|---------------------------------------|-----------------------------------------------------------------------------------------------|-----------|----------|----------|
|                                       | 2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B |           |          |          |
|                                       | 3 Interest on savings and temporary cash investments                                          | 9076.     | 9076.    |          |
|                                       | 4 Dividends and interest from securities                                                      | 1720622.  | 1725252. |          |
|                                       | 5a Gross rents                                                                                | 103256.   | 103256.  |          |
|                                       | b Net rental income or (loss) 92000.                                                          |           |          |          |
|                                       | 6a Net gain or (loss) from sale of assets not on line 10                                      | 971881.   |          |          |
|                                       | b Gross sales price for all assets on line 6a 39530206.                                       |           |          |          |
|                                       | 7 Capital gain net income (from Part IV, line 2)                                              |           | 966621.  |          |
|                                       | 8 Net short-term capital gain                                                                 |           |          |          |
|                                       | 9 Income modifications                                                                        |           |          |          |
|                                       | 10a Gross sales less returns and allowances                                                   |           |          |          |
| Operating and Administrative Expenses | b Less Cost of goods sold                                                                     |           |          |          |
|                                       | c Gross profit or (loss)                                                                      |           |          |          |
|                                       | 11 Other income Stmt 1                                                                        | 120640.   | 120640.  |          |
|                                       | 12 Total. Add lines 1 through 11                                                              | 2925475.  | 2924845. |          |
|                                       | 13 Compensation of officers, directors, trustees, etc                                         | 406678.   | 20990.   | 385689.  |
|                                       | 14 Other employee salaries and wages                                                          |           |          |          |
|                                       | 15 Pension plans, employee benefits                                                           | 202358.   | 9239.    | 193119.  |
|                                       | 16a Legal fees Stmt 2                                                                         | 12053.    | 0.       | 12053.   |
|                                       | b Accounting fees                                                                             |           |          |          |
|                                       | c Other professional fees Stmt 3                                                              | 252331.   | 244189.  | 8142.    |
|                                       | 17 Interest                                                                                   |           |          |          |
|                                       | 18 Taxes Stmt 4                                                                               | 85446.    | 18073.   | 25373.   |
|                                       | 19 Depreciation and depletion Stmt 5                                                          | 4624.     | 381.     |          |
|                                       | 20 Occupancy                                                                                  | 35438.    | 1880.    | 33558.   |
|                                       | 21 Travel, conferences, and meetings                                                          | 134985.   | 45451.   | 84154.   |
|                                       | 22 Printing and publications                                                                  | 2632.     | 1098.    | 1534.    |
|                                       | 23 Other expenses Stmt 6                                                                      | 23772.    | 1694.    | 22078.   |
|                                       | 24 Total operating and administrative expenses. Add lines 13 through 23                       | 1160317.  | 342995.  | 765700.  |
|                                       | 25 Contributions, gifts, grants paid Stmt 7                                                   | 5259200.  |          | 5259200. |
|                                       | 26 Total expenses and disbursements. Add lines 24 and 25                                      | 6419517.  | 342995.  | 6024900. |
|                                       | 27 Subtract line 26 from line 12:                                                             |           |          |          |
|                                       | a Excess of revenue over expenses and disbursements                                           | -3494042. |          |          |
|                                       | b Net investment income (if negative, enter -0-)                                              |           | 2581850. |          |
|                                       | c Adjusted net income (if negative, enter -0-)                                                |           |          | N/A      |

6412 8

| Part II Balance Sheets      |                                                                                                      | Attached schedules and amounts in the description column should be for end-of-year amounts only |                | Beginning of year     | End of year |           |
|-----------------------------|------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|----------------|-----------------------|-------------|-----------|
|                             |                                                                                                      | (a) Book Value                                                                                  | (b) Book Value | (c) Fair Market Value |             |           |
| Assets                      | 1                                                                                                    | Cash - non-interest-bearing                                                                     |                |                       |             | 0.        |
|                             | 2                                                                                                    | Savings and temporary cash investments                                                          |                | 11254961.             | 17873100.   | 17873100. |
|                             | 3                                                                                                    | Accounts receivable ▶                                                                           |                |                       |             |           |
|                             |                                                                                                      | Less: allowance for doubtful accounts ▶                                                         |                |                       |             |           |
|                             | 4                                                                                                    | Pledges receivable ▶                                                                            |                |                       |             |           |
|                             |                                                                                                      | Less: allowance for doubtful accounts ▶                                                         |                |                       |             |           |
|                             | 5                                                                                                    | Grants receivable                                                                               |                |                       |             |           |
|                             | 6                                                                                                    | Receivables due from officers, directors, trustees, and other disqualified persons              |                |                       |             |           |
|                             | 7                                                                                                    | Other notes and loans receivable ▶                                                              |                |                       |             |           |
|                             |                                                                                                      | Less: allowance for doubtful accounts ▶                                                         |                |                       |             |           |
|                             | 8                                                                                                    | Inventories for sale or use                                                                     |                |                       |             |           |
|                             | 9                                                                                                    | Prepaid expenses and deferred charges                                                           |                |                       |             |           |
|                             | 10a                                                                                                  | Investments - U.S. and state government obligations                                             |                |                       |             |           |
|                             | b                                                                                                    | Investments - corporate stock Stmt 8                                                            |                | 79196778.             | 69432489.   | 90075390. |
|                             | c                                                                                                    | Investments - corporate bonds Stmt 9                                                            |                | 7873216.              | 7529949.    | 9366164.  |
|                             | 11                                                                                                   | Investments - land, buildings, and equipment basis ▶ Stmt 10                                    |                | 391388.               | 391388.     | 375145.   |
|                             | Less accumulated depreciation ▶                                                                      |                                                                                                 |                |                       |             |           |
| 12                          | Investments - mortgage loans                                                                         |                                                                                                 |                |                       |             |           |
| 13                          | Investments - other Stmt 11                                                                          |                                                                                                 | 327185.        | 327185.               | 513930.     |           |
| 14                          | Land, buildings, and equipment basis ▶ Stmt 12                                                       |                                                                                                 | 254535.        |                       |             |           |
|                             | Less accumulated depreciation ▶                                                                      |                                                                                                 | 188176.        | 70984.                | 66359.      | 421302.   |
| 15                          | Other assets (describe ▶)                                                                            |                                                                                                 |                |                       |             |           |
| 16                          | <b>Total assets</b> (to be completed by all filers - see the instructions. Also, see page 1, item 1) |                                                                                                 | 99114512.      | 95620469.             | 118625031.  |           |
| Liabilities                 | 17                                                                                                   | Accounts payable and accrued expenses                                                           |                |                       |             |           |
|                             | 18                                                                                                   | Grants payable                                                                                  |                | 2475000.              |             |           |
|                             | 19                                                                                                   | Deferred revenue                                                                                |                |                       |             |           |
|                             | 20                                                                                                   | Loans from officers, directors, trustees, and other disqualified persons                        |                |                       |             |           |
|                             | 21                                                                                                   | Mortgages and other notes payable                                                               |                |                       |             |           |
|                             | 22                                                                                                   | Other liabilities (describe ▶)                                                                  |                |                       |             |           |
|                             | 23                                                                                                   | <b>Total liabilities</b> (add lines 17 through 22)                                              |                | 2475000.              | 0.          |           |
| Net Assets or Fund Balances | Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>                              |                                                                                                 |                |                       |             |           |
|                             | 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 ▶ <input checked="" type="checkbox"/>            |                                                                                                 |                |                       |             |           |
|                             | and complete lines 27 through 31.                                                                    |                                                                                                 |                |                       |             |           |
|                             | 27                                                                                                   | Capital stock, trust principal, or current funds                                                |                | 0.                    | 0.          |           |
| 28                          | Paid-in or capital surplus, or land, bldg., and equipment fund                                       |                                                                                                 | 57565853.      | 57565853.             |             |           |
| 29                          | Retained earnings, accumulated income, endowment, or other funds                                     |                                                                                                 | 39073659.      | 38054616.             |             |           |
| 30                          | <b>Total net assets or fund balances</b>                                                             |                                                                                                 | 96639512.      | 95620469.             |             |           |
| 31                          | <b>Total liabilities and net assets/fund balances</b>                                                |                                                                                                 | 99114512.      | 95620469.             |             |           |

**Part III Analysis of Changes in Net Assets or Fund Balances**

|   |                                                                                                                                                               |   |                  |
|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---|------------------|
| 1 | Total net assets or fund balances at beginning of year - Part II, column (a), line 30<br>(must agree with end-of-year figure reported on prior year's return) | 1 | 96639512.        |
| 2 | Enter amount from Part I, line 27a                                                                                                                            | 2 | -3494042.        |
| 3 | Other increases not included in line 2 (itemize) ▶                                                                                                            | 3 | 0.               |
| 4 | Add lines 1, 2, and 3                                                                                                                                         | 4 | 93145470.        |
| 5 | Decreases not included in line 2 (itemize) ▶ <u>Decrease in grants payable; rounding</u>                                                                      | 5 | -2474999.        |
| 6 | <b>Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30</b>                                                  | 6 | <b>95620469.</b> |

**Part IV Capital Gains and Losses for Tax on Investment Income**

| (a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.) | (b) How acquired<br>P - Purchase<br>D - Donation | (c) Date acquired<br>(mo., day, yr.) | (d) Date sold<br>(mo., day, yr.) |
|------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------|----------------------------------|
| 1a Stmt. 13                                                                                                                        | P                                                |                                      |                                  |
| b                                                                                                                                  |                                                  |                                      |                                  |
| c                                                                                                                                  |                                                  |                                      |                                  |
| d                                                                                                                                  |                                                  |                                      |                                  |
| e                                                                                                                                  |                                                  |                                      |                                  |

| (e) Gross sales price | (f) Depreciation allowed<br>(or allowable) | (g) Cost or other basis<br>plus expense of sale | (h) Gain or (loss)<br>(e) plus (f) minus (g) |
|-----------------------|--------------------------------------------|-------------------------------------------------|----------------------------------------------|
| a 39530206.           |                                            | 38563585.                                       | 966621.                                      |
| b                     |                                            |                                                 |                                              |
| c                     |                                            |                                                 |                                              |
| d                     |                                            |                                                 |                                              |
| e                     |                                            |                                                 |                                              |

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

| (i) F.M.V. as of 12/31/69 | (j) Adjusted basis<br>as of 12/31/69 | (k) Excess of col. (i)<br>over col. (j), if any | (l) Gains (Col. (h) gain minus<br>col. (k), but not less than -0-) or<br>Losses (from col. (h)) |
|---------------------------|--------------------------------------|-------------------------------------------------|-------------------------------------------------------------------------------------------------|
| a                         |                                      |                                                 | 966621.                                                                                         |
| b                         |                                      |                                                 |                                                                                                 |
| c                         |                                      |                                                 |                                                                                                 |
| d                         |                                      |                                                 |                                                                                                 |
| e                         |                                      |                                                 |                                                                                                 |

2 Capital gain net income or (net capital loss) 2 966621.

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

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

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

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

| (a) Base period years<br>Calendar year (or tax year beginning in) | (b) Adjusted qualifying distributions | (c) Net value of noncharitable-use assets | (d) Distribution ratio<br>(col. (b) divided by col. (c)) |
|-------------------------------------------------------------------|---------------------------------------|-------------------------------------------|----------------------------------------------------------|
| 2014                                                              | 6134170.                              | 121813804.                                | .050357                                                  |
| 2013                                                              | 5653354.                              | 125711236.                                | .044971                                                  |
| 2012                                                              | 5393355.                              | 117267439.                                | .045992                                                  |
| 2011                                                              | 5472142.                              | 110519663.                                | .049513                                                  |
| 2010                                                              | 4454695.                              | 111899814.                                | .039810                                                  |

2 Total of line 1, column (d) 2 .230643

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 .046129

4 Enter the net value of noncharitable-use assets for 2015 from Part X, line 5 4 114300609.

5 Multiply line 4 by line 3 5 5272573.

6 Enter 1% of net investment income (1% of Part I, line 27b) 6 25819.

7 Add lines 5 and 6 7 5298392.

8 Enter qualifying distributions from Part XII, line 4 8 6024900.

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

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-)

3 Add lines 1 and 2

4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-

6 Credits/Payments:

a 2015 estimated tax payments and 2014 overpayment credited to 2015

b Exempt foreign organizations - tax withheld at source

c Tax paid with application for extension of time to file (Form 8868)

d Backup withholding erroneously withheld

7 Total credits and payments. Add lines 6a through 6d

8 Enter any penalty for underpayment of estimated tax. Check here ☒ if Form 2220 is attached

9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed

10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid

11 Enter the amount of line 10 to be: Credited to 2016 estimated tax

103379. Refunded

**Part VII-A Statements Regarding Activities**

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?

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.

c Did the foundation file Form 1120-POL for this year?

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

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

4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?

b If "Yes," has it filed a tax return on Form 990-T for this year?

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?

If "Yes," attach the statement required by General Instruction T.

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?

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

8a Enter the states to which the foundation reports or with which it is registered (see instructions) Texas

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

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 2015 or the taxable year beginning in 2015 (see instructions for Part XIV)? If "Yes," complete Part XIV

10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses

Yes No

1a X

1b X

1c X

2 X

3 X

4a X

4b

5 X

6 X

7 X

8b X

9 X

10 X

N/A

**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)                                                                                                                                         |     | 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)                                                                                                                                        |     | X   |
| 13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application?<br>Website address ► N/A                                                                                                                                                                                    | X   |     |
| 14 The books are in care of ► <b>Effie and Wofford Cain Foundation</b> Telephone no. ► <b>512-346-7490</b><br>Located at ► <b>4131 Spicewood Springs Road, #A-1, Austin, TX</b> ZIP+4 ► <b>78759</b>                                                                                                                               |     |     |
| 15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here<br>and enter the amount of tax-exempt interest received or accrued during the year                                                                                                                                          | 15  | N/A |
| 16 At any time during calendar year 2015, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?<br>See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ► | 16  | X   |

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

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

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Yes | No |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| 1a During the year did the foundation (either directly or indirectly):<br>(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br>(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br>(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br>(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br>(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |     |    |
| b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?<br>Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 1b  | X  |
| c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2015?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 1c  | X  |
| 2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):<br>a At the end of tax year 2015, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2015? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br>If "Yes," list the years ► _____<br>b Are there any years listed in 2a for which the foundation is <b>not</b> 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<br>c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► _____                                                                                                                                                                                                                                                                                                                                                                                              | 2b  |    |
| 3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br>b If "Yes," did it have excess business holdings in 2015 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 2015.) N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 3b  |    |
| 4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?<br>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 2015?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 4a  | X  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 4b  | X  |

Form 990-PF (2015)

**Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required** (continued)**5a** During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions)

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No**b** If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

▶ ☐**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d).

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

6b

X

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

**7a** At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No**b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b

**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1 List all officers, directors, trustees, foundation managers and their compensation.**

| (a) Name and address | (b) Title, and average hours per week devoted to position | (c) Compensation (If not paid, enter -0-) | (d) Contributions to employee benefit plans and deferred compensation | (e) Expense account, other allowances |
|----------------------|-----------------------------------------------------------|-------------------------------------------|-----------------------------------------------------------------------|---------------------------------------|
| Stmnt. 14            |                                                           | 406678.                                   | 202358.                                                               | 0.                                    |
|                      |                                                           |                                           |                                                                       |                                       |
|                      |                                                           |                                           |                                                                       |                                       |
|                      |                                                           |                                           |                                                                       |                                       |
|                      |                                                           |                                           |                                                                       |                                       |
|                      |                                                           |                                           |                                                                       |                                       |
|                      |                                                           |                                           |                                                                       |                                       |
|                      |                                                           |                                           |                                                                       |                                       |
|                      |                                                           |                                           |                                                                       |                                       |
|                      |                                                           |                                           |                                                                       |                                       |

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

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

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

0

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**Part VIII** Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services. If none, enter "NONE."

| (a) Name and address of each person paid more than \$50,000                     | (b) Type of service | (c) Compensation |
|---------------------------------------------------------------------------------|---------------------|------------------|
| Smith Asset Management<br>100 Crescent Ct, Suite 850, Dallas, TX 75201          | Inv. Management     | 85844.           |
| Clearbrook Investment Consulting<br>10 High Street, Suite 630, Boston, MA 02110 | Inv. Consulting     | 58757.           |
|                                                                                 |                     |                  |
|                                                                                 |                     |                  |
|                                                                                 |                     |                  |
|                                                                                 |                     |                  |

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 | NONE |  |
|   |      |  |
| 2 |      |  |
|   |      |  |
| 3 |      |  |
|   |      |  |
| 4 |      |  |
|   |      |  |

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

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

Amount

|                                                          |      |  |
|----------------------------------------------------------|------|--|
| 1                                                        | NONE |  |
|                                                          |      |  |
| 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 | 106043245. |
| b | Average of monthly cash balances                                                                            | 1b | 9071495.   |
| c | Fair market value of all other assets                                                                       | 1c | 926487.    |
| d | <b>Total</b> (add lines 1a, b, and c)                                                                       | 1d | 116041227. |
| 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  | 116041227. |
| 4 | Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)   | 4  | 1740618.   |
| 5 | <b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4 | 5  | 114300609. |
| 6 | <b>Minimum investment return.</b> Enter 5% of line 5                                                        | 6  | 5715030.   |

**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  | 5715030. |
| 2a | Tax on investment income for 2015 from Part VI, line 5                                                    | 2a | 25819.   |
| b  | Income tax for 2015. (This does not include the tax from Part VI.)                                        | 2b |          |
| c  | Add lines 2a and 2b                                                                                       | 2c | 25819.   |
| 3  | Distributable amount before adjustments. Subtract line 2c from line 1                                     | 3  | 5689211. |
| 4  | Recoveries of amounts treated as qualifying distributions                                                 | 4  | 0.       |
| 5  | Add lines 3 and 4                                                                                         | 5  | 5689211. |
| 6  | Deduction from distributable amount (see instructions)                                                    | 6  | 0.       |
| 7  | <b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1 | 7  | 5689211. |

**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 | 6024900. |
| b | Program-related investments - total from Part IX-B                                                                                | 1b | 0.       |
| 2 | Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes                         | 2  |          |
| 3 | Amounts set aside for specific charitable projects that satisfy the:                                                              |    |          |
| a | Suitability test (prior IRS approval required)                                                                                    | 3a |          |
| b | Cash distribution test (attach the required schedule)                                                                             | 3b |          |
| 4 | <b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4                 | 4  | 6024900. |
| 5 | Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b | 5  | 25819.   |
| 6 | <b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4                                                             | 6  | 5999081. |

**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)<br>Corpus | (b)<br>Years prior to 2014 | (c)<br>2014 | (d)<br>2015 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------------------|-------------|-------------|
| <b>1</b> Distributable amount for 2015 from Part XI, line 7                                                                                                                       |               |                            |             | 5689211.    |
| <b>2</b> Undistributed income, if any, as of the end of 2015                                                                                                                      |               |                            |             |             |
| <b>a</b> Enter amount for 2014 only                                                                                                                                               |               |                            | 5932277.    |             |
| <b>b</b> Total for prior years:                                                                                                                                                   |               | 0.                         |             |             |
| <b>3</b> Excess distributions carryover, if any, to 2015:                                                                                                                         |               |                            |             |             |
| <b>a</b> From 2010                                                                                                                                                                |               |                            |             |             |
| <b>b</b> From 2011                                                                                                                                                                |               |                            |             |             |
| <b>c</b> From 2012                                                                                                                                                                |               |                            |             |             |
| <b>d</b> From 2013                                                                                                                                                                |               |                            |             |             |
| <b>e</b> From 2014                                                                                                                                                                |               |                            |             |             |
| <b>f</b> Total of lines 3a through e                                                                                                                                              | 0.            |                            |             |             |
| <b>4</b> Qualifying distributions for 2015 from Part XII, line 4: ► \$ 6024900.                                                                                                   |               |                            |             |             |
| <b>a</b> Applied to 2014, but not more than line 2a                                                                                                                               |               |                            | 5932277.    |             |
| <b>b</b> Applied to undistributed income of prior years (Election required - see instructions)                                                                                    |               | 0.                         |             |             |
| <b>c</b> Treated as distributions out of corpus (Election required - see instructions)                                                                                            | 0.            |                            |             |             |
| <b>d</b> Applied to 2015 distributable amount                                                                                                                                     |               |                            |             | 92623.      |
| <b>e</b> Remaining amount distributed out of corpus                                                                                                                               | 0.            |                            |             |             |
| <b>5</b> Excess distributions carryover applied to 2015 (If an amount appears in column (d), the same amount must be shown in column (a) )                                        | 0.            |                            |             | 0.          |
| <b>6</b> Enter the net total of each column as indicated below:                                                                                                                   |               |                            |             |             |
| <b>a</b> Corpus. Add lines 3f, 4c, and 4e. Subtract line 5                                                                                                                        | 0.            |                            |             |             |
| <b>b</b> Prior years' undistributed income. Subtract line 4b from line 2b                                                                                                         |               | 0.                         |             |             |
| <b>c</b> Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed |               | 0.                         |             |             |
| <b>d</b> Subtract line 6c from line 6b. Taxable amount - see instructions                                                                                                         |               | 0.                         |             |             |
| <b>e</b> Undistributed income for 2014. Subtract line 4a from line 2a. Taxable amount - see instr.                                                                                |               |                            | 0.          |             |
| <b>f</b> Undistributed income for 2015. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2016                                                              |               |                            |             | 5596588.    |
| <b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)       | 0.            |                            |             |             |
| <b>8</b> Excess distributions carryover from 2010 not applied on line 5 or line 7                                                                                                 | 0.            |                            |             |             |
| <b>9</b> Excess distributions carryover to 2016. Subtract lines 7 and 8 from line 6a                                                                                              | 0.            |                            |             |             |
| <b>10</b> Analysis of line 9:                                                                                                                                                     |               |                            |             |             |
| <b>a</b> Excess from 2011                                                                                                                                                         |               |                            |             |             |
| <b>b</b> Excess from 2012                                                                                                                                                         |               |                            |             |             |
| <b>c</b> Excess from 2013                                                                                                                                                         |               |                            |             |             |
| <b>d</b> Excess from 2014                                                                                                                                                         |               |                            |             |             |
| <b>e</b> Excess from 2015                                                                                                                                                         |               |                            |             |             |

**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 2015, 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)

- 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.

- 3 Subtract line 2d from line 2c.  
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).)

Wofford and Effie Marie Cain (both deceased)

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

None

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

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

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

Stmt. 15

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

Stmt. 15

- c Any submission deadlines:

Stmnt. 15

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

Stmnt. 15

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

| Recipient<br>Name and address (home or business) | If recipient is an individual,<br>show any relationship to<br>any foundation manager<br>or substantial contributor | Foundation<br>status of<br>recipient | Purpose of grant or<br>contribution | Amount   |
|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|----------|
| <b>a</b> Paid during the year                    |                                                                                                                    |                                      |                                     |          |
| Stmnt. 7                                         |                                                                                                                    |                                      |                                     | 5259200. |
|                                                  |                                                                                                                    |                                      |                                     |          |
|                                                  |                                                                                                                    |                                      |                                     |          |
|                                                  |                                                                                                                    |                                      |                                     |          |
| <b>Total</b>                                     |                                                                                                                    |                                      | ▶ <b>3a</b>                         | 5259200. |
| <b>b</b> Approved for future payment             |                                                                                                                    |                                      |                                     |          |
| None                                             |                                                                                                                    |                                      |                                     |          |
|                                                  |                                                                                                                    |                                      |                                     |          |
|                                                  |                                                                                                                    |                                      |                                     |          |
| <b>Total</b>                                     |                                                                                                                    |                                      | ▶ <b>3b</b>                         | 0.       |





Statement 1

Part I, Line 11 - Other Income:

| Description                         | Column A             | Column B             |
|-------------------------------------|----------------------|----------------------|
|                                     | Balance<br>Per Books | Investment<br>Income |
| Oil & Gas Royalty Income            | 120,154              | 120,154              |
| Shareholders' litigation settlement | 486                  | 486                  |
| Total Other Income                  | 120,640              | 120,640              |

Statement 2

| Payee                              | Service                          | Column A<br>Balance<br>Per Books | Column B<br>Related to<br>Investment Income | Column D<br>Disbursed for<br>Charitable Purpose |
|------------------------------------|----------------------------------|----------------------------------|---------------------------------------------|-------------------------------------------------|
| Part I, Line 16a - Legal Fees      |                                  |                                  |                                             |                                                 |
| Brorby, Crozier & Dobie, PC - fees | Legal and tax advice - Corporate | 12,053                           | 0                                           | 12,053                                          |
| Total Legal                        |                                  | 12,053                           | 0                                           | 12,053                                          |

Statement 3

Part I, Line 16c - Other Professional Fees

|                                  |                                 |         |         |       |
|----------------------------------|---------------------------------|---------|---------|-------|
| Smith Asset Management           | Investment management           | 85,844  | 85,844  | 0     |
| Clearbrook Investment Consulting | Investment consulting           | 65,759  | 65,759  | 0     |
| JP Morgan Chase                  | Custodial/Investment management | 47,388  | 47,388  | 0     |
| Westwood Trust                   | Investment management           | 25,249  | 25,249  | 0     |
| GMO                              | Investment management           | 19,460  | 19,460  | 0     |
| UBS Financial                    | Investment management           | 150     | 150     | 0     |
| Frost National Bank              | Plan sponsor for 401(k)         | 4,600   | 0       | 4,600 |
| C&M Administrators, Inc          | Form 5550 filing for 401(k)     | 1,482   | 0       | 1,482 |
| JMD Consulting                   | Computer consulting             | 1,400   | 0       | 1,400 |
| Maxwell, Locke & Ritter          | Accounting consulting           | 660     | 0       | 660   |
| Realty Tax Consultants           | Property services               | 339     | 339     | 0     |
| Total Other Professional Fees    |                                 | 252,331 | 244,189 | 8,142 |

Statement 4

Part I, line 18 - Taxes:

| Description               | Column A<br>Balance<br>Per Books | Column B<br>Related to<br>Investment Income | Column D<br>Disbursed for<br>Charitable Purposes | Other  |
|---------------------------|----------------------------------|---------------------------------------------|--------------------------------------------------|--------|
| Payroll Taxes             | 26,424                           | 1,275                                       | 25,149                                           |        |
| Ad Valorem Property Taxes | 10,602                           | 10,602                                      | 0                                                |        |
| Oil & Gas Production Tax  | 5,061                            | 5,061                                       | 0                                                |        |
| Personal Property Taxes   | 234                              | 11                                          | 224                                              |        |
| Foreign Dividend Taxes    | 1,125                            | 1,125                                       | 0                                                |        |
| Excise Tax                | 42,000                           | 0                                           | 0                                                | 42,000 |
| Total                     | 85,446                           | 18,073                                      | 25,373                                           | 42,000 |

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

Statement 5

Part I, Line 19 - Depreciation and Depletion

| -----Current Expense----- |                  |         |                    |                |      |                      |                          |       |                            |          |
|---------------------------|------------------|---------|--------------------|----------------|------|----------------------|--------------------------|-------|----------------------------|----------|
|                           | Date<br>Acquired | Cost    | Recovery<br>Period | Method<br>Used | Rate | Column A             | Column B                 |       | Accum<br>as of<br>10/31/16 |          |
|                           |                  |         |                    |                |      | Balance<br>Per Books | Related to<br>Inv Income | Other |                            | Disposed |
| Depreciation              |                  |         |                    |                |      |                      |                          |       |                            |          |
| Office Furn & Fixtures    | 1981             | 467     | 5 Yrs              | SL             | 0%   | 467                  | 0                        | 0     | 0                          | 467      |
| Office Furn & Fixtures    | 1982             | 259     | 5 Yrs              | SL             | 0%   | 259                  | 0                        | 0     | 0                          | 259      |
| Office Furn & Fixtures    | 1985             | 1,180   | 5 Yrs              | SL             | 0%   | 1,180                | 0                        | 0     | 0                          | 1,180    |
| Office Furn & Fixtures    | 1987             | 1,655   | 5 Yrs              | SL             | 0%   | 1,655                | 0                        | 0     | 0                          | 1,655    |
| Office Furn & Fixtures    | 1988             | 1,169   | 5 Yrs              | SL             | 0%   | 1,169                | 0                        | 0     | 0                          | 1,169    |
| Office Furn & Fixtures    | 1989             | 48      | 7 Yrs              | SL             | 0%   | 48                   | 0                        | 0     | 0                          | 48       |
| Office Furn & Fixtures    | 1990             | 250     | 7 Yrs              | SL             | 0%   | 250                  | 0                        | 0     | 0                          | 250      |
| Office Furn & Fixtures    | 1991             | 260     | 7 Yrs              | SL             | 0%   | 260                  | 0                        | 0     | 0                          | 260      |
| Office Furn & Fixtures    | 1992             | 5,793   | 7 Yrs              | SL             | 0%   | 5,793                | 0                        | 0     | 0                          | 5,793    |
| Office Furn & Fixtures    | 1993             | 10,931  | 7 Yrs              | SL             | 0%   | 10,931               | 0                        | 0     | 0                          | 10,931   |
| Office Furn & Fixtures    | 1994             | 3,941   | 7 Yrs              | SL             | 0%   | 3,941                | 0                        | 0     | 0                          | 3,941    |
| Office Furn & Fixtures    | 1995             | 792     | 7 Yrs              | SL             | 0%   | 792                  | 0                        | 0     | 0                          | 792      |
| Office Furn & Fixtures    | 1998             | 399     | 7 Yrs              | SL             | 0%   | 399                  | 0                        | 0     | 0                          | 399      |
| Office Furn & Fixtures    | 1999             | 3,485   | 7 Yrs              | SL             | 0%   | 3,485                | 0                        | 0     | 0                          | 3,485    |
| Office Furn & Fixtures    | 2001             | 3,955   | 7 Yrs              | SL             | 0%   | 3,955                | 0                        | 0     | 0                          | 3,955    |
| Office Furn & Fixtures    | 2002             | 1,821   | 7 Yrs              | SL             | 0%   | 1,821                | 0                        | 0     | 0                          | 1,821    |
| Office Furn & Fixtures    | 2004             | 3,915   | 7 Yrs              | SL             | 0%   | 3,915                | 0                        | 0     | 0                          | 3,915    |
| Office Furn & Fixtures    | 2008             | 750     | 7 Yrs              | SL             | 0%   | 750                  | 0                        | 0     | 0                          | 750      |
| Office Equipment          | 1984             | 450     | 5 Yrs              | SL             | 0%   | 450                  | 0                        | 0     | 0                          | 450      |
| Office Equipment          | 1987             | 80      | 5 Yrs              | SL             | 0%   | 80                   | 0                        | 0     | 0                          | 80       |
| Office Equipment          | 1993             | 90      | 5 Yrs              | SL             | 0%   | 90                   | 0                        | 0     | 0                          | 90       |
| Office Equipment          | 1994             | 628     | 5 Yrs              | SL             | 0%   | 628                  | 0                        | 0     | 0                          | 628      |
| Office Equipment          | 1999             | 1,595   | 5 Yrs              | SL             | 0%   | 1,595                | 0                        | 0     | 0                          | 1,595    |
| Office Equipment          | 2002             | 800     | 5 Yrs              | SL             | 0%   | 800                  | 0                        | 0     | 0                          | 800      |
| Office Equipment          | 2007             | 2,713   | 5 Yrs              | SL             | 0%   | 2,713                | 0                        | 0     | 0                          | 2,713    |
| Office Equipment          | 2008             | 935     | 5 Yrs              | SL             | 0%   | 935                  | 0                        | 0     | 0                          | 935      |
| Office Equipment          | 2010             | 889     | 5 Yrs              | SL             | 0%   | 889                  | 0                        | 0     | 0                          | 889      |
| Office Equipment          | 2007             | 899     | 5 Yrs              | SL             | 0%   | 899                  | 0                        | 0     | 0                          | 899      |
| Data Processing Equipment | 2010             | 2,698   | 5 Yrs              | SL             | 0%   | 2,698                | 0                        | 0     | 0                          | 2,698    |
| Data Processing Equipment | 2012             | 1,499   | 5 Yrs              | SL             | 20%  | 1,049                | 300                      | 8     | 292                        | 1,349    |
| Data Processing Equipment | 2014             | 3,356   | 5 Yrs              | SL             | 20%  | 1,007                | 671                      | 42    | 629                        | 1,678    |
| Office Condo - Building   | 1992             | 115,091 | 31 5 Yrs           | SL             | 3% * | 86,314               | 3,653                    | 331   | 3,322                      | 89,967   |
| Office Refurbishment      | 2001             | 38,085  | 7 Yrs              | SL             | 0%   | 38,085               | 0                        | 0     | 0                          | 38,085   |
| Office Refurbishment      | 2002             | 4,251   | 7 Yrs              | SL             | 0%   | 4,251                | 0                        | 0     | 0                          | 4,251    |
| Total Depreciation        |                  | 215,128 |                    |                |      | 183,552              | 4,624                    | 381   | 4,243                      | 188,176  |

Statement 5

Part I, Line 19 - Depreciation and Depletion

|                                  | Date<br>Acquired | Cost   | Recovery<br>Period | Method<br>Used | Rate | Accum<br>as of<br>10/31/15 | -----Current Expense----- |                          |          | Accum<br>as of<br>10/31/16 |
|----------------------------------|------------------|--------|--------------------|----------------|------|----------------------------|---------------------------|--------------------------|----------|----------------------------|
|                                  |                  |        |                    |                |      |                            | Column A                  | Column B                 | Other    |                            |
|                                  |                  |        |                    |                |      |                            | Balance<br>Per Books      | Related to<br>Inv Income | Disposed |                            |
| Depletion                        |                  |        |                    |                |      |                            |                           |                          |          |                            |
| Oil & Gas Properties             | 1980             | 17,418 | Life of<br>Reserve | Cost           | 0    | 12,043                     | 0                         | 0                        | 0        | 12,043                     |
| Total Depletion                  |                  |        |                    |                |      | 12,043                     | 0                         | 0                        | 0        | 12,043                     |
| Total Depreciation and Depletion |                  |        |                    |                |      | 195,595                    | 4,624                     | 381                      | 4,243    | 200,219                    |

\* Annual rate of 3.1746%

F = First year 1/2 annual rate L = Last year 1/2 annual rate

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Part 1, Line 23 - Other Expenses:

| Description                               | Column A<br>Balance<br>Per Books | Column B<br>Related to<br>Investment Income | Column D<br>Disbursed for<br>Charitable Purposes |
|-------------------------------------------|----------------------------------|---------------------------------------------|--------------------------------------------------|
| Office Supplies                           | 955                              | 43                                          | 912                                              |
| Pantry Supplies                           | 705                              | 32                                          | 673                                              |
| Data Processing Supplies                  | 3,159                            | 142                                         | 3,016                                            |
| Equipment Repairs                         | 168                              | 8                                           | 160                                              |
| Property Repairs                          | 12                               | 12                                          | 0                                                |
| Property & Liability Insurance            | 11,446                           | 516                                         | 10,930                                           |
| Investment Property & Liability Insurance | 625                              | 625                                         | 0                                                |
| Membership Dues                           | 2,566                            | 16                                          | 2,551                                            |
| Direct Charitable                         | 901                              | 0                                           | 901                                              |
| Miscellaneous                             | 782                              | 189                                         | 593                                              |
| ADP payroll fees                          | 2,453                            | 111                                         | 2,342                                            |
| Total                                     | 23,772                           | 1,694                                       | 22,078                                           |

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

| Activity/Recipient/Address                                                           | Status | Purpose         | Amount  |
|--------------------------------------------------------------------------------------|--------|-----------------|---------|
| Human Needs and Services                                                             |        |                 |         |
| 22KILL (Veterans Support Organization)<br>13625 Neutron Drive, Dallas, TX 75244      | Public | General support | 2,000   |
| Athens Thrift Store<br>1419 East Tyler Street, Athens, TX 75751                      | Public | General support | 7,000   |
| Austin Classical Guitar<br>5900 Balcones, Austin, TX 78731                           | Public | General support | 5,000   |
| Austin Disaster Relief Network<br>1122 East 51st Street, Austin, TX 78723            | Public | General support | 2,500   |
| Austin Speech Labs<br>7800 Shoal Creek Blvd., Suite 136, Austin, TX 78757            | Public | General support | 2,000   |
| Austin YMBL Sunshine Camp<br>2225 Andrew Zilker Road, Austin, TX 78746               | Public | General support | 2,500   |
| Building Homes for Heroes<br>65 Roosevelt Avenue, Suite 105, Valley Stream, NY 11581 | Public | General support | 100,000 |
| CASA of Trinity Valley<br>PO Box 2259, Athens, TX 75751                              | Public | General support | 20,000  |
| Center for Child Protection<br>8509 FM 969, Bldg. 2, Austin, TX 78724                | Public | General support | 20,000  |
| Christine Alberts Swan Songs (Hospice care)<br>PO Box 41475, Austin, TX 78704        | Public | General support | 10,000  |
| Colleagues, The<br>3312 Pico Blvd., Santa Monica, CA 90405                           | Public | General support | 2,500   |
| GENAustin (Youth outreach)<br>3000 South IH-35, Suite 400, Austin, TX 78704          | Public | General support | 4,200   |

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

| Activity/Recipient/Address                                                                                          | Status | Purpose         | Amount  |
|---------------------------------------------------------------------------------------------------------------------|--------|-----------------|---------|
| Health Alliance for Austin Musicians<br>1206 West 38th Street, Suite 4101, Austin, TX 78705                         | Public | General support | 150,000 |
| Henderson County Community Partners<br>115 South Murchison, Athens, TX 75751                                        | Public | General support | 1,500   |
| Henderson County Food Pantry<br>715 East Corsicana, Athens, TX 75751                                                | Public | General support | 15,000  |
| I Am Waters Foundation<br>3262 Westheimer Blvd., Box 229, Houston, TX 77098                                         | Public | General support | 10,000  |
| Lila Lane Outreach<br>101 Lila Lane, Athens, TX 75751                                                               | Public | General support | 29,500  |
| Make-A-Wish Foundation - Central & South Texas<br>2224 Walsh Tarlton Lane, Suite 200, Austin, TX 78746              | Public | General support | 6,000   |
| Meals on Wheels Ministries<br>PO Box 5475, Tyler, TX 75712                                                          | Public | General support | 5,000   |
| M.E.N.D. (Mothers Enduring Neonatal Death)<br>PO Box 631566, Irving, TX 75063                                       | Public | General support | 1,000   |
| Musicians On Call (Music therapy for hospital patients)<br>30 West 32nd Street, Suite 1103, New York, NY 10001-3842 | Public | General support | 20,000  |
| Ronald McDonald House Charities<br>403 East 15th Street, Austin, TX 78701                                           | Public | General support | 2,500   |
| Salvation Army-Austin<br>501 East 8th Street, Austin, TX 78701                                                      | Public | General support | 55,000  |
| SIMS Foundation<br>44 East Avenue, Suite 202, Austin, TX 78701                                                      | Public | General support | 3,000   |
| St. Vincent Citizens Nutrition Program<br>2131 West Third Street, Los Angeles, CA 90057-0992                        | Public | General support | 62,500  |

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

| Activity/Recipient/Address                                                         | Status | Purpose              | Amount  |
|------------------------------------------------------------------------------------|--------|----------------------|---------|
| West Austin Care Givers<br>2601 Exposition Blvd., Austin, TX 78703                 | Public | General support      | 7,000   |
| Word of Honor Fund<br>PO Box 777, Bellevue, ID 83313                               | Public | General support      | 23,500  |
| Total Human Needs and Services                                                     |        |                      | 569,200 |
| Public and Community Benefit                                                       |        |                      |         |
| Austin Community Foundation<br>PO Box 5159, Austin, TX 78763                       | Public | General support      | 2,500   |
| Boy Scouts of America, Capitol Area Council<br>12500 North IH-35, Austin, TX 78753 | Public | General support      | 50,000  |
| City of Athens, Texas<br>508 East Tyler Street, Athens, TX 75751                   | Public | Community activities | 5,000   |
| City of Athens, Texas<br>508 East Tyler Street, Athens, TX 75751                   | Public | Fire Department      | 5,000   |
| City of Athens, Texas<br>508 East Tyler Street, Athens, TX 75751                   | Public | Public parks         | 8,000   |
| East Texas Arboretum & Botanical Society<br>1601 Patterson Road, Athens, TX 75751  | Public | General support      | 2,500   |
| Give A Beat Foundation (Youth outreach)<br>387 South Coast Hwy., Laguna Beach, CA  | Public | General support      | 5,000   |
| Henderson County Historical Society<br>217 North Prairieville, Athens, TX 75751    | Public | General support      | 2,000   |
| KIDFISH Foundation<br>413 South Carroll Street, Athens, TX 75751                   | Public | General support      | 3,000   |

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

| Activity/Recipient/Address                                                 | Status | Purpose         | Amount  |
|----------------------------------------------------------------------------|--------|-----------------|---------|
| Public Library Fund<br>121 South Prairieville, Athens, TX 75751            | Public | General support | 10,000  |
| Quapaw Area Council BSA<br>3220 Cantrell Road, Little Rock, AR 72202       | Public | General support | 3,000   |
| Van Cliburn Foundation<br>201 Main Street, Suite 100, Fort Worth, TX 76102 | Public | General support | 8,000   |
| Total Public and Community Benefit                                         |        |                 | 104,000 |

Cultural Institutions

Program Presentation and Support

|                                                                                   |        |                 |        |
|-----------------------------------------------------------------------------------|--------|-----------------|--------|
| ASCAP Foundation<br>One Lincoln Plaza, New York, NY 10023-7142                    | Public | General support | 25,000 |
| Austin Film Festival<br>1801 Salina Street, Austin, TX 78702                      | Public | General support | 10,000 |
| Black Fret (Music outreach)<br>PO Box 29628, Austin, TX 78755-6628                | Public | General support | 30,000 |
| East Texas Arboretum & Botanical Society<br>1601 Patterson Road, Athens, TX 75751 | Public | General support | 15,500 |
| Flights of Frontier Museum<br>6911 Lemmon Avenue, Dallas, TX 75209                | Public | General support | 1,000  |
| University of Texas at Austin<br>2400 Inner Campus Drive, Austin, TX 78712        | Public | General support | 10,000 |
| Total Cultural Institutions                                                       |        |                 | 91,500 |

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

| Activity/Recipient/Address                                                                         | Status | Purpose                   | Amount  |
|----------------------------------------------------------------------------------------------------|--------|---------------------------|---------|
| Scientific and Medical Institutions<br>Research and Treatment                                      |        |                           |         |
| Alzheimer's Association of Greater Austin<br>106 East 6th Street, Austin, TX 78701                 | Public | General support           | 25,000  |
| Alzheimer's Coalition of Henderson County<br>PO Box 621, Athens, TX 75751                          | Public | General support           | 10,000  |
| American Heart Association<br>1700 Rutherford Lane, Austin, TX 78754                               | Public | General support           | 5,000   |
| Children's Burn Foundation<br>4929 Van Nuys Blvd., Sherman Oaks, CA 91403                          | Public | General support           | 5,000   |
| Cure Duchenne (Muscular Dystrophy research)<br>3800 North Lamar Blvd., Suite 138, Austin, TX 78756 | Public | General support           | 2,000   |
| Daughters of Charity of St. Vincent de Paul (Seton)<br>1201 West 38th Street, Austin, TX 78705     | Public | General support           | 33,000  |
| Disciples Clinic<br>604 York Street, Athens, TX 75751                                              | Public | General support           | 25,000  |
| Hospice Austin<br>4107 Spicewood Springs Road, Suite 100, Austin, TX 78759                         | Public | General support           | 3,500   |
| National Institute of Neurological Disorders and Stroke<br>PO Box 5801, Bethesda, MD 20824         | Public | General support           | 4,000   |
| Texas Scottish Rite Hospital<br>2222 Welborn Street, Dallas, TX 75219                              | Public | General support           | 36,000  |
| University of Texas System<br>601 Colorado Street, Austin, TX 78701-2982                           | Public | Endowment/general support | 478,000 |

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

| Activity/Recipient/Address                                                                  | Status | Purpose                   | Amount    |
|---------------------------------------------------------------------------------------------|--------|---------------------------|-----------|
| University of Texas System<br>601 Colorado Street, Austin, TX 78701-2982                    | Public | Medical school endowments | 2,675,000 |
| University of Texas Southwestern Medical Center<br>5323 Harry Hines Blvd., Dallas, TX 75390 | Public | Endowment enhancements    | 250,000   |
| Total Research and Treatment                                                                |        |                           | 3,551,500 |
| Educational Institutions                                                                    |        |                           |           |
| Scholarships and Awards                                                                     |        |                           |           |
| Athens Christian Preparatory Academy<br>901 Mission Avenue, Athens, TX 75751                | Public | Scholarships              | 35,000    |
| Kappa Alpha Order Educational Foundation<br>PO Box 1865, Lexington, VA 24450                | Public | Scholarships              | 3,000     |
| National Football Foundation<br>21st at San Jacinto, Bellmont Hall, Austin, TX 78705        | Public | Scholarships              | 12,000    |
| Pat Tillman Foundation<br>217 North Jefferson Street, Suite 602, Chicago, IL 60661          | Public | Scholarships              | 1,500     |
| Southern Methodist University<br>6425 Boaz Lane, Dallas, TX 75205                           | Public | Endowed scholarships      | 250,000   |
| University of Texas at Austin<br>2400 Inner Campus Drive, Austin, TX 78712                  | Public | Endowed scholarships      | 170,829   |
| University of Texas at Austin<br>2400 Inner Campus Drive, Austin, TX 78712                  | Public | Memorial scholarships     | 7,000     |
| Visitation Academy of St. Louis County<br>3020 North Ballas Road, St. Louis, MO 63131       | Public | Scholarships              | 10,000    |
| Total Scholarships and Awards                                                               |        |                           | 489,329   |

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

| Activity/Recipient/Address                              | Status | Purpose              | Amount |
|---------------------------------------------------------|--------|----------------------|--------|
| <b>Educational Institutions</b>                         |        |                      |        |
| <b>Educational Programs</b>                             |        |                      |        |
| Athens High School                                      | Public | General support      | 20,000 |
| 708 East College Street, Athens, TX 75751               |        |                      |        |
| Hockaday School                                         | Public | General support      | 3,500  |
| 11600 Welch Road, Dallas, TX 75229                      |        |                      |        |
| University of Texas System                              | Public | General support      | 40,000 |
| 601 Colorado Street, Austin, TX 78701-2982              |        |                      |        |
| University of Texas at Austin                           | Public | General support      | 5,000  |
| 2400 Inner Campus Drive, Austin, TX 78712               |        |                      |        |
| University of Texas at Austin                           | Public | UT Elementary School | 25,000 |
| 2400 Inner Campus Drive, Austin, TX 78712               |        |                      |        |
| University of Texas at Austin                           | Public | General support      | 3,000  |
| 2400 Inner Campus Drive, Austin, TX 78712               |        |                      |        |
| Total Educational Programs                              |        |                      | 96,500 |
| <b>Educational Institutions</b>                         |        |                      |        |
| <b>Special Programs</b>                                 |        |                      |        |
| Fisher High Alumni Association                          | Public | General support      | 28,000 |
| PO Box 430, DeSoto, TX 75115                            |        |                      |        |
| Grammy Foundation                                       | Public | Scholarships         | 7,500  |
| 3402 Pico Blvd., Santa Monica, CA 90405                 |        |                      |        |
| Kappa Kappa Gamma Foundation                            | Public | General support      | 25,000 |
| PO Box 5201, Austin, TX 78763                           |        |                      |        |
| National Guard Association Texas Educational Foundation | Public | General support      | 7,500  |
| 3706 Crawford Avenue, Austin, TX 78731                  |        |                      |        |

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

| Activity/Recipient/Address                                                 | Status | Purpose                   | Amount  |
|----------------------------------------------------------------------------|--------|---------------------------|---------|
| University of Texas System<br>601 Colorado Street, Austin, TX 78701-2982   | Public | General support           | 2,500   |
| University of Texas at Austin<br>2400 Inner Campus Drive, Austin, TX 78712 | Public | Special programs          | 31,171  |
| University of Texas at Austin<br>2400 Inner Campus Drive, Austin, TX 78712 | Public | General support           | 1,000   |
| University of Texas at Austin<br>2400 Inner Campus Drive, Austin, TX 78712 | Public | College of Communications | 100,500 |
| University of Texas at Austin<br>2400 Inner Campus Drive, Austin, TX 78712 | Public | College of Communications | 10,000  |
| University of Texas at Austin<br>2400 Inner Campus Drive, Austin, TX 78712 | Public | General support           | 1,000   |
| 2400 Inner Campus Drive, Austin, TX 78712                                  |        |                           | 214,171 |
| Total Special Programs                                                     |        |                           |         |

Religious Institutions

Religious Programs and Projects

|                                                                             |        |                 |        |
|-----------------------------------------------------------------------------|--------|-----------------|--------|
| First Presbyterian Church<br>306 East Tyler Street, Athens, TX 75751        | Public | General support | 55,000 |
| First United Methodist Church<br>1115 South Boulder Avenue, Tulsa, OK 74119 | Public | General support | 1,000  |
| Good Shepherd Episcopal Church<br>2206 Exposition Blvd., Austin, TX 78703   | Public | General support | 27,500 |
| Ministry of Challenge<br>1500 East 12th Street, Austin, TX 78702            | Public | General support | 3,500  |
| Mt. Dearborn Methodist Church<br>PO Box 236, Great Falls, SC 29055          | Public | General support | 10,000 |

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

| Activity/Recipient/Address                                                 | Status | Purpose         | Amount    |
|----------------------------------------------------------------------------|--------|-----------------|-----------|
| Munger Place Church<br>5200 Bryan Street, Dallas, TX 75206                 | Public | General support | 3,000     |
| Trinity Episcopal Cathedral<br>310 West 17th Street, Little Rock, AR 72206 | Public | General support | 3,000     |
| Westminster Presbyterian Church<br>3208 Exposition Blvd., Austin, TX 78763 | Public | General support | 30,000    |
| Young Life - Athens<br>PO Box 520, Colorado Springs, CO 80901-0520         | Public | General support | 10,000    |
| Total Religious Programs and Projects                                      |        |                 | 143,000   |
| Total Contributions                                                        |        |                 | 5,259,200 |

Statement 8

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

| Description                         | Beginning<br>of Tax Year  | End of Tax Year |                           |                                  |
|-------------------------------------|---------------------------|-----------------|---------------------------|----------------------------------|
|                                     | Column A<br>Book<br>Value | # of<br>Shares  | Column B<br>Book<br>Value | Column C<br>Fair Market<br>Value |
| Abbott Laboratories                 | 0                         | 4,254           | 169,362                   | 166,927                          |
| Accenture PLC Class A               | 123,755                   | 1,411           | 112,513                   | 164,015                          |
| Adobe Systems                       | 0                         | 5,000           | 482,314                   | 537,550                          |
| Airgas                              | 5,543                     | 0               | 0                         | 0                                |
| Alaska Air Group                    | 162,573                   | 0               | 0                         | 0                                |
| Allergan PLC                        | 259,200                   | 0               | 0                         | 0                                |
| Alphabet, Class A                   | 0                         | 600             | 482,954                   | 485,940                          |
| Amdocs LTD                          | 467,770                   | 0               | 0                         | 0                                |
| American Eagle Outfitters           | 0                         | 29,200          | 503,756                   | 497,568                          |
| Anadarko Petroleum Corporation      | 4,593                     | 80              | 5,952                     | 4,755                            |
| Ansys                               | 475,276                   | 0               | 0                         | 0                                |
| Apache Corporation                  | 4,023                     | 98              | 6,886                     | 5,829                            |
| Apple                               | 314,180                   | 0               | 0                         | 0                                |
| Arista Networks                     | 0                         | 7,400           | 489,269                   | 627,150                          |
| Aspen Technology                    | 476,459                   | 0               | 0                         | 0                                |
| Automatic Data Processing           | 97,498                    | 1,773           | 97,498                    | 154,357                          |
| Axiall Corporation                  | 3,968                     | 0               | 0                         | 0                                |
| Baker Hughes                        | 3,504                     | 51              | 2,980                     | 2,825                            |
| Bank of New York Mellon Corporation | 460,723                   | 11,700          | 460,723                   | 506,259                          |
| Baxter International                | 0                         | 10,500          | 504,337                   | 499,695                          |
| BB&T Corporation                    | 143,636                   | 3,462           | 123,283                   | 135,710                          |
| Boeing Company                      | 518,573                   | 0               | 0                         | 0                                |
| C R Bard                            | 470,105                   | 2,500           | 367,325                   | 541,700                          |
| C.H. Robinson Worldwide             | 474,653                   | 0               | 0                         | 0                                |
| Cabot Oil & Gas Corporation         | 0                         | 94              | 2,289                     | 1,963                            |
| Cadence Design Systems              | 0                         | 21,700          | 454,967                   | 555,086                          |
| Carbo Ceramics                      | 4,551                     | 0               | 0                         | 0                                |

## Statement 8

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

| Description                   | Beginning<br>of Tax Year  | End of Tax Year |                           |                                  |
|-------------------------------|---------------------------|-----------------|---------------------------|----------------------------------|
|                               | Column A<br>Book<br>Value | # of<br>Shares  | Column B<br>Book<br>Value | Column C<br>Fair Market<br>Value |
| Centene Corporation           | 0                         | 7,500           | 458,544                   | 468,600                          |
| Centerpoint Energy            | 7,624                     | 199             | 5,020                     | 4,537                            |
| Chevron Corporation           | 403,339                   | 3,900           | 403,339                   | 408,525                          |
| Chicago Bridge & Iron Company | 8,895                     | 137             | 6,675                     | 4,387                            |
| Cimarex Energy Company        | 3,914                     | 24              | 2,568                     | 3,099                            |
| Cintas Corporation            | 536,155                   | 5,700           | 477,826                   | 608,019                          |
| Cisco Systems                 | 603,301                   | 23,663          | 601,681                   | 725,981                          |
| Citrix Systems                | 0                         | 6,300           | 449,462                   | 534,240                          |
| Clean Harbors                 | 9,252                     | 102             | 6,111                     | 4,827                            |
| Clorox Company                | 535,247                   | 4,000           | 436,933                   | 480,080                          |
| Coach                         | 545,372                   | 0               | 0                         | 0                                |
| Coca Cola Enterprises         | 57,153                    | 0               | 0                         | 0                                |
| Colgate Palmolive Company     | 159,832                   | 2,229           | 121,831                   | 159,061                          |
| Columbia Pipeline Group       | 4,221                     | 0               | 0                         | 0                                |
| Consol Energy                 | 7,539                     | 0               | 0                         | 0                                |
| Corning                       | 31,819                    | 0               | 0                         | 0                                |
| CSX Corporation               | 33,071                    | 0               | 0                         | 0                                |
| Cullen Frost Bankers          | 1,378,063                 | 100,136         | 1,378,063                 | 7,609,335                        |
| CVS Health Corporation        | 0                         | 1,785           | 184,063                   | 150,119                          |
| Devon Energy Corporation      | 3,893                     | 106             | 5,608                     | 4,016                            |
| Diamondback Energy            | 0                         | 37              | 3,460                     | 3,378                            |
| Dick's Sporting Goods         | 0                         | 8,400           | 463,856                   | 467,460                          |
| Discover Financial Services   | 388,850                   | 8,100           | 388,850                   | 456,273                          |
| Dominion Resources            | 4,670                     | 69              | 5,047                     | 5,189                            |
| Dow Chemical Company          | 3,266                     | 58              | 2,935                     | 3,121                            |
| DXP Enterprises               | 5,638                     | 0               | 0                         | 0                                |
| Emerson Electric Company      | 6,671                     | 85              | 5,670                     | 4,308                            |

## Statement 8

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

| Description                    | Beginning<br>of Tax Year  | End of Tax Year |                           |                                  |
|--------------------------------|---------------------------|-----------------|---------------------------|----------------------------------|
|                                | Column A<br>Book<br>Value | # of<br>Shares  | Column B<br>Book<br>Value | Column C<br>Fair Market<br>Value |
| Energen Corporation            | 7,420                     | 119             | 7,884                     | 5,965                            |
| Energy Select Sector SPDR FD   | 48,400                    | 749             | 50,617                    | 51,396                           |
| EOG Resources                  | 10,210                    | 42              | 4,453                     | 3,798                            |
| EQT Corporation                | 3,969                     | 100             | 8,164                     | 6,600                            |
| ExxonMobil Corporation         | 317,933                   | 6,510           | 316,826                   | 542,413                          |
| F5 Networks                    | 472,520                   | 0               | 0                         | 0                                |
| Facebook-A                     | 0                         | 4,000           | 470,445                   | 523,960                          |
| Factset Research Systems       | 481,739                   | 0               | 0                         | 0                                |
| Fleetcor Technologies          | 0                         | 2,900           | 486,987                   | 508,370                          |
| Flowserve Corporation          | 16,044                    | 196             | 13,725                    | 8,301                            |
| Ford Motor Company             | 182,730                   | 0               | 0                         | 0                                |
| Freeport-McMoran Cooper & Gold | 32,488                    | 0               | 0                         | 0                                |
| General Dynamics Corporation   | 534,506                   | 3,800           | 507,952                   | 572,812                          |
| General Mills                  | 140,025                   | 1,111           | 43,268                    | 68,860                           |
| General Motors Company         | 34,805                    | 0               | 0                         | 0                                |
| Gentex Corporation             | 378,235                   | 31,000          | 378,235                   | 524,210                          |
| Gilead Sciences                | 401,645                   | 0               | 0                         | 0                                |
| Helmerich & Payne              | 190,396                   | 5,150           | 226,876                   | 325,017                          |
| Hess Corporation               | 3,756                     | 53              | 4,259                     | 2,542                            |
| Hologic                        | 503,642                   | 13,900          | 446,062                   | 500,539                          |
| Home Depot                     | 282,728                   | 5,165           | 231,854                   | 630,182                          |
| Honeywell International        | 3,495                     | 33              | 3,101                     | 3,619                            |
| Ilex Corporation               | 6,255                     | 52              | 4,212                     | 4,495                            |
| Illinois Tool Works            | 123,540                   | 1,546           | 95,479                    | 175,579                          |
| Intel Corporation              | 23,874                    | 0               | 0                         | 0                                |
| Intercontinental Exchange      | 520,674                   | 0               | 0                         | 0                                |
| Jacobs Engineering Group       | 5,245                     | 86              | 4,603                     | 4,436                            |
| Johnson & Johnson              | 465,060                   | 6,122           | 433,541                   | 710,091                          |

## Statement 8

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

| Description                      | Beginning<br>of Tax Year  | End of Tax Year |                           |                                  |
|----------------------------------|---------------------------|-----------------|---------------------------|----------------------------------|
|                                  | Column A<br>Book<br>Value | # of<br>Shares  | Column B<br>Book<br>Value | Column C<br>Fair Market<br>Value |
| JP Morgan Chase & Company        | 610,343                   | 16,351          | 639,102                   | 1,132,470                        |
| Juniper Networks                 | 468,140                   | 0               | 0                         | 0                                |
| Kimberly-Clark Corporation       | 367,563                   | 0               | 0                         | 0                                |
| Kinder Morgan Management LLC     | 3,721                     | 315             | 7,336                     | 6,435                            |
| Kirby Company                    | 7,382                     | 62              | 5,969                     | 3,655                            |
| Kroger Company                   | 181,994                   | 0               | 0                         | 0                                |
| Laredo Petroleum                 | 779                       | 0               | 0                         | 0                                |
| Lincoln Electric Holdings        | 5,644                     | 79              | 5,387                     | 5,201                            |
| LyonellBasel Industries, Class A | 517,776                   | 0               | 0                         | 0                                |
| Marathon Oil Corporation         | 5,131                     | 289             | 6,341                     | 3,809                            |
| Martin Marietta Materials        | 3,318                     | 25              | 2,763                     | 4,635                            |
| Masco Corporation                | 0                         | 14,600          | 502,051                   | 450,848                          |
| McDonalds Corporation            | 211,864                   | 1,604           | 156,581                   | 180,562                          |
| McKesson Corporation             | 123,098                   | 0               | 0                         | 0                                |
| Merck & Company                  | 152,247                   | 7,800           | 494,550                   | 458,016                          |
| Microsoft Corporation            | 141,311                   | 3,815           | 163,154                   | 228,595                          |
| Mondelez International, Class A  | 0                         | 1,754           | 75,750                    | 78,825                           |
| Murphy USA                       | 4,208                     | 60              | 2,954                     | 4,127                            |
| National Fuel Gas Company        | 0                         | 42              | 2,351                     | 2,200                            |
| Nestle A Sponsored ADR           | 74,657                    | 0               | 0                         | 0                                |
| Newfield Exploration Company     | 9,462                     | 181             | 6,970                     | 7,347                            |
| Nextera Energy                   | 92,066                    | 948             | 54,001                    | 121,344                          |
| Nike, Class B                    | 505,475                   | 0               | 0                         | 0                                |
| Noble Energy                     | 5,833                     | 108             | 5,904                     | 3,723                            |
| Nordstrom                        | 0                         | 9,600           | 499,325                   | 499,200                          |
| Northrop Grumman Corporation     | 0                         | 539             | 115,502                   | 123,431                          |
| Occidental Petroleum Corporation | 54,179                    | 33              | 3,014                     | 2,406                            |

## Statement 8

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

| Description                       | Beginning<br>of Tax Year  | End of Tax Year |                           |                                  |
|-----------------------------------|---------------------------|-----------------|---------------------------|----------------------------------|
|                                   | Column A<br>Book<br>Value | # of<br>Shares  | Column B<br>Book<br>Value | Column C<br>Fair Market<br>Value |
| OGE Energy Corporation            | 3,630                     | 92              | 2,845                     | 2,856                            |
| Parker Hannifin Corporation       | 0                         | 4,200           | 450,741                   | 515,550                          |
| PDC Energy                        | 1,837                     | 37              | 2,138                     | 2,269                            |
| Pentair PLC                       | 0                         | 46              | 2,364                     | 2,536                            |
| Pepsico                           | 137,540                   | 1,406           | 99,998                    | 150,723                          |
| Pfizer                            | 147,511                   | 0               | 0                         | 0                                |
| Phillips 66                       | 165,527                   | 2,112           | 161,015                   | 171,389                          |
| Pioneer Natural Resources Company | 3,436                     | 16              | 2,944                     | 2,864                            |
| Plains GP Holdings, Class A       | 2,668                     | 337             | 4,754                     | 4,233                            |
| PNC Financial Services Group      | 135,155                   | 1,733           | 146,452                   | 165,675                          |
| Procter & Gamble Company          | 78,090                    | 0               | 0                         | 0                                |
| QEP Resources                     | 0                         | 107             | 2,169                     | 1,719                            |
| Qualcomm                          | 0                         | 2,580           | 125,791                   | 177,298                          |
| Questar Corporation               | 4,362                     | 0               | 0                         | 0                                |
| Quintiles Transnational Holding   | 450,518                   | 7,300           | 421,683                   | 523,702                          |
| Range Resources Corporation       | 3,083                     | 75              | 3,575                     | 2,534                            |
| Red Hat                           | 472,415                   | 6,500           | 472,415                   | 503,425                          |
| Rockwell Automation               | 0                         | 0               | 0                         | 0                                |
| Royal Dutch Shell PLC             | 3,750                     | 60              | 4,406                     | 2,989                            |
| Schlumberger LTD                  | 4,366                     | 53              | 5,119                     | 4,146                            |
| SEM Group Corporation, Class A    | 5,862                     | 0               | 0                         | 0                                |
| Sempra Energy                     | 0                         | 40              | 4,281                     | 4,284                            |
| Sherwin-Williams Company          | 0                         | 482             | 134,049                   | 118,023                          |
| Siemens ADR                       | 82,504                    | 0               | 0                         | 0                                |
| SM Energy Company                 | 485,774                   | 13,200          | 407,582                   | 443,916                          |
| Southwestern Energy Company       | 10,614                    | 0               | 0                         | 0                                |
| SPDR S&P Homebuilders ETF         | 44,819                    | 0               | 0                         | 0                                |

## Statement 8

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

| Description                                        | Beginning<br>of Tax Year  | End of Tax Year |                           |                                  |
|----------------------------------------------------|---------------------------|-----------------|---------------------------|----------------------------------|
|                                                    | Column A<br>Book<br>Value | # of<br>Shares  | Column B<br>Book<br>Value | Column C<br>Fair Market<br>Value |
| Starbucks Corporation                              | 379,438                   | 0               | 0                         | 0                                |
| Suntrust Banks                                     | 0                         | 11,000          | 479,943                   | 497,530                          |
| Superior Energy Services                           | 0                         | 178             | 2,936                     | 2,520                            |
| Sysco Corporation                                  | 0                         | 9,700           | 472,614                   | 466,764                          |
| Take-Two Interactive Software                      | 0                         | 11,200          | 418,753                   | 497,168                          |
| Target Corporation                                 | 124,836                   | 2,214           | 132,663                   | 152,168                          |
| TimkenSteel Corporation                            | 7,302                     | 0               | 0                         | 0                                |
| Tortoise MLP & Pipeline-INS                        | 79,555                    | 5,587           | 90,789                    | 73,803                           |
| Transcanada Corporation                            | 0                         | 109             | 4,434                     | 4,936                            |
| Travelers Companies                                | 342,819                   | 4,400           | 284,604                   | 475,992                          |
| Trinity Industries                                 | 4,936                     | 156             | 5,314                     | 3,331                            |
| Unilever PLC ADR                                   | 27,684                    | 0               | 0                         | 0                                |
| Union Pacific Corporation                          | 0                         | 40              | 3,415                     | 3,527                            |
| Unitedhealth Group                                 | 0                         | 1,289           | 162,759                   | 182,174                          |
| US Bancorp                                         | 140,885                   | 0               | 0                         | 0                                |
| USG Corporation                                    | 0                         | 16,500          | 483,286                   | 415,470                          |
| Voya Financial                                     | 478,761                   | 12,100          | 478,761                   | 369,655                          |
| Wal-Mart Stores                                    | 0                         | 6,700           | 484,056                   | 469,134                          |
| Waste Connections                                  | 4,381                     | 48              | 3,187                     | 3,610                            |
| Weatherford International PL                       | 1,894                     | 511             | 3,797                     | 2,463                            |
| Williams Companies                                 | 0                         | 237             | 5,751                     | 6,920                            |
| WPX Energy                                         | 0                         | 151             | 1,457                     | 1,640                            |
| Wyndham Worldwide Corporation                      | 489,571                   | 6,500           | 489,571                   | 427,960                          |
| Chase Multi-Strategy Hedge Fund (Class C-A Series) | 7,250,000                 | 0               | 2,319,674                 | 6,401,449                        |
| Vanguard Institutional Index Fund                  | 6,002,699                 | 55,956          | 6,227,914                 | 10,882,351                       |
| Vanguard Small-Cap Index Fund                      | 4,400,684                 | 146,764         | 5,517,932                 | 8,240,800                        |
| Vanguard Total International Index Fund            | 3,636,079                 | 178,260         | 4,565,070                 | 4,436,893                        |

Statement 8

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

| Description                | Beginning<br>of Tax Year  | End of Tax Year |                           |                                  |
|----------------------------|---------------------------|-----------------|---------------------------|----------------------------------|
|                            | Column A<br>Book<br>Value | # of<br>Shares  | Column B<br>Book<br>Value | Column C<br>Fair Market<br>Value |
| Vanguard FTSE European ETF | 1,003,200                 | 0               | 0                         | 0                                |
| Harbor International       | 7,564,701                 | 122,944         | 7,899,344                 | 7,413,522                        |
| Pimco All Asset Fund       | 7,244,122                 | 797,037         | 9,468,579                 | 9,134,048                        |
| SPDR Gold Trust            | 345,995                   | 3,700           | 345,995                   | 451,178                          |
| Ishares Gold Trust         | 48,099                    | 0               | 0                         | 0                                |
| Westwood                   | 9,007,936                 | 449,740         | 10,464,072                | 10,776,357                       |
| GMO Benchmark-Free Fund    | 10,421,850                | 0               | 0                         | 0                                |
| Total Corporate Stock      | 79,196,778                | 2,296,589       | 69,432,489                | 90,075,390                       |

Statement 9

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

| Description                         | Beginning of Tax Year     |                   | End of Tax Year           |                                  |
|-------------------------------------|---------------------------|-------------------|---------------------------|----------------------------------|
|                                     | Column A<br>Book<br>Value | Par/Face<br>Value | Column B<br>Book<br>Value | Column C<br>Fair Market<br>Value |
| Baird FDS                           | 3,014,121                 | NA                | 0                         | 0                                |
| GS Corporate Credit Investment Fund | 4,859,095                 | NA                | 4,559,263                 | 6,400,214                        |
| GS Corporate Fixed Income           | 0                         | NA                | 2,970,686                 | 2,965,950                        |
| Total Corporate Bonds               | 7,873,216                 | 0                 | 7,529,949                 | 9,366,164                        |

Statement 10

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

| Description                            | Beginning<br>of Tax Yr    | End<br>of Tax Year  |                           |                                  |
|----------------------------------------|---------------------------|---------------------|---------------------------|----------------------------------|
|                                        | Column A<br>Book<br>Value | Accum.<br>Depletion | Column B<br>Book<br>Value | Column C<br>Fair Market<br>Value |
| Real Estate - Block 124, Dallas, Texas | 391,388                   | 0                   | 391,388                   | 375,145                          |
| Total                                  | 391,388                   | 0                   | 391,388                   | 375,145                          |

Statement 11

Part II, Line 13 - Investments - Other:

| Description                                 | Beginning<br>of Tax Yr    | End<br>of Tax Year  |                           |                                  |
|---------------------------------------------|---------------------------|---------------------|---------------------------|----------------------------------|
|                                             | Column A<br>Book<br>Value | Accum.<br>Depletion | Column B<br>Book<br>Value | Column C<br>Fair Market<br>Value |
| Oil & Gas Royalty Interests (Producing)     | 323,099                   | 12,043              | 323,099                   | 509,844                          |
| Oil & Gas Royalty Interests (Non-producing) | 4,086                     | 0                   | 4,086                     | 4,086                            |
| Total                                       | 327,185                   | 12,043              | 327,185                   | 513,930                          |

See Statement 5 for analysis of Accumulated Depletion.

Statement 12

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

| Description               | Beginning<br>of Tax Yr | End<br>of Tax Year        |                           |                                |         |
|---------------------------|------------------------|---------------------------|---------------------------|--------------------------------|---------|
|                           |                        | Column A<br>Book<br>Value | Column B<br>Book<br>Value | Column<br>Fair Market<br>Value |         |
| Depreciable Assets        |                        |                           |                           |                                |         |
| Office Equipment          | 8,179                  | 0                         | 8,179                     | 0                              | 736     |
| Furniture & Fixtures      | 41,070                 | 0                         | 41,070                    | 0                              | 5,870   |
| Data Processing Equipment | 8,452                  | 2,799                     | 6,624                     | 1,828                          | 834     |
| Office Refurbishment      | 42,336                 | 0                         | 42,336                    | 0                              | 42,336  |
| Office Condo - Building   | 115,091                | 28,777                    | 89,967                    | 25,124                         | 267,288 |
| Subtotal                  | 215,129                | 31,577                    | 188,176                   | 26,952                         | 317,065 |
| Non-depreciable Assets    |                        |                           |                           |                                |         |
| Furniture & Fixtures      | 10,195                 | 10,195                    | 0                         | 10,195                         | 10,195  |
| Office Condo - Land       | 29,212                 | 29,212                    | 0                         | 29,212                         | 94,042  |
| Subtotal                  | 39,407                 | 39,407                    | 0                         | 39,407                         | 104,237 |
| Total                     | 254,535                | 70,984                    | 188,176                   | 66,359                         | 421,302 |

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

Statement 13

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

| # of<br>Shares                                  | Description                                           | *How<br>Acquired | Date<br>Acquired | Date<br>Sold | Sales<br>Price | Cost          | Gain<br>(Loss) |
|-------------------------------------------------|-------------------------------------------------------|------------------|------------------|--------------|----------------|---------------|----------------|
| Publicly Traded Securities                      |                                                       |                  |                  |              |                |               |                |
| 0                                               | GMO Benchmark-free Allocation Fund gain distributions | P                | Various          | Various      | 10,042,589.02  | 10,404,015.59 | (361,426.57)   |
| 0                                               | Westwood Common Fund Equity gain distribution         | P                | Various          | Various      | 317,522.86     | 59,378.99     | 258,143.87     |
| 0                                               | Westwood Income Opportunity Fund gain distributions   | P                | Various          | Various      | 19,435.68      | 8,141.59      | 11,294.09      |
| 0                                               | Westwood Funds (K-1 adjustments)                      | x                | Various          | 31-Oct-16    | 0.00           | 5,259.87      | (5,259.87)     |
| 0                                               | JPMorgan Multi-Strategy Hedge Fund                    | P                | Various          | 30-Sep-16    | 6,500,000.00   | 7,430,326.44  | (930,326.44)   |
| Total Fixed Income                              |                                                       |                  |                  |              | 16,879,547.56  | 17,907,122.48 | (1,027,574.92) |
| Total Publicly Traded Securities & Fixed Income |                                                       |                  |                  |              | 39,530,206.37  | 38,563,584.76 | 966,621.61     |

Statement 14

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

| (A)<br>Name and Address                                                              | (B) Title and<br>Average Hours per Week<br>Devoted to Position            | (C)<br>Compensation | (D) Benefit and<br>Retirement<br>Plans | (E)<br>Expense<br>Account |
|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------|----------------------------------------|---------------------------|
| Franklin W. Denius<br>3500 Jefferson Street, Suite 315<br>Austin, Texas 78731        | Director,<br>President<br>35.00 Hours per week                            | 28,344              | 20,616                                 | 0                         |
| John C. Cain<br>102 W. Tyler<br>Athens, Texas 75751                                  | Director of Real Estate<br>Vice President<br>32.00 Hours per week         | 28,344              | 32,391                                 | 0                         |
| Charmaine D. McGill<br>4131 Spicewood Springs, #A-1<br>Austin, TX 78759              | Director, Vice President,<br>Grants Administrator<br>32.00 Hours per week | 74,280              | 28,123                                 | 0                         |
| F. Wofford Denius<br>4551 Glencoe Avenue, Suite 300<br>Marina del Rey, CA 90292-7925 | Director of Legal<br>Vice President<br>33.00 Hours per week               | 28,344              | 31,824                                 | 0                         |
| Lynn Fowler<br>4131 Spicewood Springs, #A-1<br>Austin, Texas 78759                   | Executive Director,<br>Secretary & Treasurer<br>42.27 Hours per week      | 183,956             | 55,069                                 | 0                         |
| Mary Bratz<br>4131 Spicewood Springs, #A-1<br>Austin, Texas 78759                    | Business Manager,<br>Assistant Secretary<br>40.15 Hours per week          | 63,409              | 34,334                                 | 0                         |
|                                                                                      |                                                                           | 406,678             | 202,358                                | 0                         |

Statement 15

Part XV, Supplementary Information:

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

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

Line 2b - Application Form:

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

Line 2c - Submission Deadlines:

There are no submission deadlines.

Line 2d - Restrictions or Limitations on Awards:

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