Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2015

Open to Public Inspection

For calendar year 2015, or tax year beginning 12/01 **, 2015, and ending** 11/30 **, 2016**

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

A Employer identification number: 74-6076961
B Telephone number (see instructions): (361) 575-7970
C If exemption application is pending, check here ► [ ]
D 1 Foreign organizations, check here ► [ ]
2 Foreign organizations meeting the 85% test, check here and attach computation ► [ ]
E If private foundation status was terminated under section 507(b)(1)(A), check here ► [ ]
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► [ ]

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

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

I Fair market value of all assets at end of year *(from Part II, column (c), line 16)* ► $ 125,172,920.

J Accounting method: [X] Cash [ ] Accrual [ ] Other (specify) *(Part I, column (d) must be on cash basis)*

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

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE	1 Contributions, gifts, grants, etc, received (attach schedule)				
	2 Ck ► [X] if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments			N/A	
	4 Dividends and interest from securities	2,461,023.	2,461,023.		
	5a Gross rents	87,771.	87,771.		
	b Net rental income or (loss) 87,771.				
	6a Net gain or (loss) from sale of assets not on line 10	-389,271.			
	b Gross sales price for all assets on line 6a 235,455.				
	7 Capital gain net income (from Part IV, line 2)		0.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule) SEE STATEMENT 1	7,764,540.	7,764,540.		
	12 **Total.** Add lines 1 through 11	9,924,063.	10,313,334.		
OPERATING AND ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc	194,714.	184,214.		10,500.
	14 Other employee salaries and wages	16,500.	16,500.		
	15 Pension plans, employee benefits	46,151.	46,151.		
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch) SEE ST 2	12,850.	12,850.		
	c Other prof fees (attach sch) SEE ST 3	237,874.	237,874.		
	17 Interest				
	18 Taxes (attach schedule)(see instrs) SEE STM 4	730,903.	639,603.		
	19 Depreciation (attach schedule) and depletion SEE STMT 5	974.	974.		
	20 Occupancy	20,184.	20,184.		
	21 Travel, conferences, and meetings	15,015.	551.		14,464.
	22 Printing and publications				
	23 Other expenses (attach schedule) SEE STATEMENT 6	24,439.	24,439.		
	24 **Total operating and administrative expenses.** Add lines 13 through 23	1,299,604.	1,183,340.		24,964.
	25 Contributions, gifts, grants paid PART XV	5,936,807.			5,936,807.
	26 **Total expenses and disbursements.** Add lines 24 and 25	7,236,411.	1,183,340.		5,961,771.
	27 Subtract line 26 from line 12:				
	a **Excess of revenue over expenses and disbursements**	2,687,652.			
	b **Net investment income** (if negative, enter -0-)		9,129,994.		
	c **Adjusted net income** (if negative, enter -0-)				

RECEIVED
MAR 01 2017
E1-224
OGDEN, UT
IRS-OSC

SCANNED MAR 03 2017

Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)	Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash – non-interest-bearing	9,140,834.	8,757,329.	8,757,329.
	2 Savings and temporary cash investments			
	3 Accounts receivable ►			
	Less: allowance for doubtful accounts ►			
	4 Pledges receivable ►			
	Less: allowance for doubtful accounts ►			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach sch) ►			
	Less: allowance for doubtful accounts ►			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments – U.S. and state government obligations (attach schedule)			
	b Investments – corporate stock (attach schedule) STATEMENT 7	61,461,983.	59,468,030.	83,429,213.
	c Investments – corporate bonds (attach schedule) STATEMENT 8	11,757,863.	16,762,247.	16,139,292.
	11 Investments – land, buildings, and equipment: basis ► 2,680,329.			
	Less: accumulated depreciation (attach schedule) SEE STMT 9 ►	2,680,329.	2,680,329.	5,087,788.
	12 Investments – mortgage loans			
	13 Investments – other (attach schedule)			
	14 Land, buildings, and equipment: basis ► 16,687.			
	Less: accumulated depreciation (attach schedule) SEE STMT 10 ► 14,734.	2,927.	1,953.	1,953.
	15 Other assets (describe ► SEE STATEMENT 11)	32,817.	94,517.	11,757,345.
	16 Total assets (to be completed by all filers – see the instructions. Also, see page 1, item I)	85,076,753.	87,764,405.	125,172,920.
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ►)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here ► [ ] and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ► [X] and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	85,076,753.	87,764,405.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see instructions)	85,076,753.	87,764,405.	
	31 Total liabilities and net assets/fund balances (see instructions)	85,076,753.	87,764,405.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year – Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	85,076,753.
2	Enter amount from Part I, line 27a	2	2,687,652.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	87,764,405.
5	Decreases not included in line 2 (itemize) ►	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	87,764,405.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1 a	SCHEDULE ATTACHED	P	VARIOUS	VARIOUS
b	CAPITAL GAIN DIVIDENDS			
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			624,726.	-624,726.
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 as of 12/31/69	(k) Excess of col (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				-624,726.
b				235,455.
c				
d				
e				

2	Capital gain net income or (net capital loss) . If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7	2	-389,271.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8	3	0.

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2014	4,997,596.	126,622,936.	0.039468
2013	4,390,225.	109,378,328.	0.040138
2012	3,817,775.	93,815,751.	0.040694
2011	3,700,626.	82,241,510.	0.044997
2010	3,286,462.	72,116,422.	0.045572

2	**Total** of line 1, column (d)	2	0.210869
3	Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.042174
4	Enter the net value of noncharitable-use assets for 2015 from Part X, line 5	4	121,435,922.
5	Multiply line 4 by line 3	5	5,121,439.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	91,300.
7	Add lines 5 and 6	7	5,212,739.
8	Enter qualifying distributions from Part XII, line 4	8	5,961,771.

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

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

1 a	Exempt operating foundations described in section 4940(d)(2), check here . . ► [ ] and enter 'N/A' on line 1. Date of ruling or determination letter. (attach copy of letter if necessary – see instrs)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here. ► [X] and enter 1% of Part I, line 27b	1	91,300.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0.
3	Add lines 1 and 2	3	91,300.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0.
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-	5	91,300.
6	Credits/Payments:		
a	2015 estimated tax pmts and 2014 overpayment credited to 2015 — 6a 185,816.		
b	Exempt foreign organizations – tax withheld at source — 6b		
c	Tax paid with application for extension of time to file (Form 8868) — 6c		
d	Backup withholding erroneously withheld — 6d		
7	Total credits and payments. Add lines 6a through 6d	7	185,816.
8	Enter any **penalty** for underpayment of estimated tax Check here [X] if Form 2220 is attached	8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ►	9	0.
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ►	10	94,516.
11	Enter the amount of line 10 to be: **Credited to 2016 estimated tax** ► 94,516. **Refunded** ►	11	0.

Part VII-A Statements Regarding Activities

			Yes	No
1 a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	1b		X
	*If the answer is 'Yes' to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ► $ 0. **(2)** On foundation managers ► $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► $ 0.			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If 'Yes,' attach a detailed description of the activities*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If 'Yes,' attach a conformed copy of the changes*	3		X
4 a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If 'Yes,' has it filed a tax return on **Form 990-T** for this year?	4b	N/A	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If 'Yes,' attach the statement required by General Instruction T.*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If 'Yes,' complete Part II, col. (c), and Part XV*	7	X	
8 a	Enter the states to which the foundation reports or with which it is registered (see instructions) ► TX			
b	If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If 'No,' attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2015 or the taxable year beginning in 2015 (see instructions for Part XIV)? *If 'Yes,' complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If 'Yes,' attach a schedule listing their names and addresses*	10		X

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

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

Website address ► MGLAJOHNSONFOUNDATION.COM

14 The books are in care of ► ROBERT HALEPESKA Telephone no. ► (361) 575-7970

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

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** – Check here N/A ► ☐

and enter the amount of tax-exempt interest received or accrued during the year ► 15 N/A

			Yes	No
16	At any time during calendar year 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?	16		X
	See the instructions for exceptions and filing requirements for FinCEN Form 114 If 'Yes,' enter the name of the foreign country ►			

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

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

			Yes	No
1 a	During the year did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☒ Yes ☐ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
b	If any answer is 'Yes' to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b		X
	Organizations relying on a current notice regarding disaster assistance check here ► ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 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)):			
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? ☐ Yes ☒ No If 'Yes,' list the years ► 20__ , 20__ , 20__ , 20__ .			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer 'No' and attach statement – see instructions.)	2b	N/A	
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ► 20__ , 20__ , 20__ , 20__			
3 a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
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.)*	3b	N/A	
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2015?	4b		X

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

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

(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)? **5b** N/A

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

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

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

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

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

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

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

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

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation **(If not paid, enter -0-)**	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 12		194,714.	0.	0.

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

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

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

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

3 *Five highest-paid independent contractors for professional services (see instructions). If none, enter 'NONE.'*

(a) Name and address of each person paid more than $50,000	**(b)** Type of service	**(c)** Compensation
WELLS FARGO BANK ONE O'CONNOR PLAZA VICTORIA, TX 77901	INVESTMENT ADVISORY	102,013.
UBS FINANCIAL SERVICES, INC. 15958 CITY WALK #240 HOUSTON, TX 77479-6584	INVESTMENT ADVISORY	53,265.
Total number of others receiving over $50,000 for professional services	►	0

Part IX-A Summary of Direct Charitable Activities

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

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments. See instructions 3	
Total. Add lines 1 through 3 ►	0.

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	95,125,649.
b Average of monthly cash balances		1b	10,387,007.
c Fair market value of all other assets (see instructions)		1c	17,772,544.
d **Total** (add lines 1a, b, and c)		1d	123,285,200.
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	123,285,200.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)		4	1,849,278.
5 **Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	121,435,922.
6 **Minimum investment return.** Enter 5% of line 5		6	6,071,796.

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	6,071,796.
2a Tax on investment income for 2015 from Part VI, line 5	2a 91,300.		
b Income tax for 2015. (This does not include the tax from Part VI)	2b		
c Add lines 2a and 2b		2c	91,300.
3 Distributable amount before adjustments Subtract line 2c from line 1		3	5,980,496.
4 Recoveries of amounts treated as qualifying distributions		4	
5 Add lines 3 and 4		5	5,980,496.
6 Deduction from distributable amount (see instructions)		6	
7 **Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1		7	5,980,496.

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	5,961,771.
b Program-related investments – total from Part IX-B	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 **Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	5,961,771.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	91,300.
6 **Adjusted qualifying distributions.** Subtract line 5 from line 4	6	5,870,471.

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

Part XIII **Undistributed Income** (see instructions)

	(a) Corpus	(b) Years prior to 2014	(c) 2014	(d) 2015
1 Distributable amount for 2015 from Part XI, line 7				5,980,496.
2 Undistributed income, if any, as of the end of 2015:				
a Enter amount for 2014 only			5,602,488.	
b Total for prior years: 20 __ , 20 __ , 20 __		0.		
3 Excess distributions carryover, if any, to 2015:				
a From 2010				
b From 2011				
c From 2012				
d From 2013				
e From 2014				
f **Total** of lines 3a through e	0.			
4 Qualifying distributions for 2015 from Part XII, line 4 ► $ 5,961,771.				
a Applied to 2014, but not more than line 2a			5,602,488.	
b Applied to undistributed income of prior years (Election required — see instructions)		0.		
c Treated as distributions out of corpus (Election required — see instructions)	0.			
d Applied to 2015 distributable amount				359,283.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2015 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount — see instructions		0.		
e Undistributed income for 2014. Subtract line 4a from line 2a. Taxable amount — see instructions			0.	
f Undistributed income for 2015. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2016				5,621,213.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required — see instructions)	0.			
8 Excess distributions carryover from 2010 not applied on line 5 or line 7 (see instructions)	0.			
9 **Excess distributions carryover to 2016.** Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2011				
b Excess from 2012				
c Excess from 2013				
d Excess from 2014				
e 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)

	Tax year	Prior 3 years			
	(a) 2015	(b) 2014	(c) 2013	(d) 2012	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a 'Assets' alternative test – enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b 'Endowment' alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c 'Support' alternative test – enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 **Information Regarding Foundation Managers:**

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

NONE

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

NONE

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

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

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

SEE STATEMENT 13

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

SEE STATEMENT FOR LINE 2A

c Any submission deadlines:

SEE STATEMENT FOR LINE 2A

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

SEE STATEMENT FOR LINE 2A

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SCHEDULE ATTACHED		N/A		5,936,807.
Total ► 3a				5,936,807.
b *Approved for future payment*				
Total ► 3b				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	2,461,023.	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property			16	87,771.	
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory				235,455.	-624,726.
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a OIL & GAS RELATED INCOME			16	16,132.	
b OIL & GAS ROYALTIES			15	7,748,408.	
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)				10,548,789.	-624,726.
13 **Total.** Add line 12, columns (b), (d), and (e)				13	9,924,063.

(See worksheet in line 13 instructions to verify calculations)

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

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

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

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

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

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

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

b If 'Yes,' complete the following schedule.

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

Sign Here

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

Signature of officer or trustee | Date | Title: EXEC VICE PRESIDENT

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
PAULA LESKE, CPA	Paula Leske	2/3/2017		P00047020

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

Firm's address ▶ 1501 E MOCKINGBIRD LN STE 300, VICTORIA, TX 77903 — Phone no (361) 575-0271

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

	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
OIL & GAS RELATED INCOME	$ 16,132.	$ 16,132.	
OIL & GAS ROYALTIES	7,748,408.	7,748,408.	
TOTAL	$ 7,764,540.	$ 7,764,540.	$ 0.

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

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BUMGARDNER MORRISON & CO	$ 2,750.	$ 2,750.		
ROLOFF HNATEK & CO	10,100.	10,100.		
TOTAL	$ 12,850.	$ 12,850.		$ 0.

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

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
AMERITRADE (SATHER FINANCIAL)	$ 38,218.	$ 38,218.		
PROSPERITY BANK	44,378.	44,378.		
UBS PAINE WEBBER	53,265.	53,265.		
WELLS FARGO & CO	102,013.	102,013.		
TOTAL	$ 237,874.	$ 237,874.		$ 0.

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

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
AD VALOREM TAXES	$ 235,484.	$ 235,484.		
EXCISE TAXES	91,300.			
FOREIGN TAXES	14,961.	14,961.		
PAYROLL TAXES	11,184.	11,184.		
SEVERANCE TAXES	377,974.	377,974.		
TOTAL	$ 730,903.	$ 639,603.		$ 0.

STATEMENT 5
FORM 990-PF, PART I, LINE 19
ALLOCATED DEPRECIATION

DATE ACQUIRED	COST BASIS	PRIOR YR DEPR	METHOD	RATE	LIFE	CURRENT YR DEPR	NET INVEST INCOME	ADJUSTED NET INCOME
5 SHELF BOOKCASE								
6/15/07	433	369	S/L		10	43	43	0
EXECUTIVE CHAIR								
6/15/07	792	672	S/L		10	79	79	0
60 X 60 CHAIRMAT								
6/15/07	271	230	S/L		10	27	27	0
DESK, DRAWER & KEYBOARD								
6/15/07	688	585	S/L		10	69	69	0
36" (2) DR FILE CABINET								
6/15/07	494	420	S/L		10	49	49	0
48 X 24 FILE CABINET								
6/15/07	388	330	S/L		10	39	39	0
48 X 24 FILE CABINET								
6/15/07	388	330	S/L		10	39	39	0
COMPUTER SYSTEM								
10/15/14	3,142	733	S/L		5	629	629	0

STATEMENT 6
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BANK CHARGES	$ 302.	$ 302.		
DUES	3,943.	3,943.		
INSURANCE	8,728.	8,728.		
OFFICE EXPENSE	11,466.	11,466.		
TOTAL	$ 24,439.	$ 24,439.		$ 0.

STATEMENT 7
FORM 990-PF, PART II, LINE 10B
INVESTMENTS - CORPORATE STOCKS

CORPORATE STOCKS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
	COST	$ 59,468,030.	$ 83,429,213.
	TOTAL	$ 59,468,030.	$ 83,429,213.

STATEMENT 8
FORM 990-PF, PART II, LINE 10C
INVESTMENTS - CORPORATE BONDS

CORPORATE BONDS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
	COST	$ 16,762,247.	$ 16,139,292.
	TOTAL	$ 16,762,247.	$ 16,139,292.

STATEMENT 9
FORM 990-PF, PART II, LINE 11
INVESTMENTS - LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE	FAIR MARKET VALUE
LAND	$ 2,680,329.		$ 2,680,329.	$ 5,087,788.
TOTAL	$ 2,680,329.	$ 0.	$ 2,680,329.	$ 5,087,788.

STATEMENT 10
FORM 990-PF, PART II, LINE 14
LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE	FAIR MARKET VALUE
FURNITURE AND FIXTURES	$ 16,687.	$ 14,734.	$ 1,953.	$ 0.
MISCELLANEOUS	0.	0.	0.	1,953.
TOTAL	$ 16,687.	$ 14,734.	$ 1,953.	$ 1,953.

STATEMENT 11
FORM 990-PF, PART II, LINE 15
OTHER ASSETS

	BOOK VALUE	FAIR MARKET VALUE
EXCISE TAX OVERPAYMENT	$ 94,516.	$ 94,516.
MINERAL INTERESTS	1.	11,662,829.
TOTAL	$ 94,517.	$ 11,757,345.

STATEMENT 12
FORM 990-PF, PART VIII, LINE 1
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN-SATION	CONTRI-BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
M. H. BROCK 807 S. HANOVER EDNA, TX 77957	CHAIRMAN 3.00	$ 1,500.	$ 0.	$ 0.
RUSSELL MARSHALL 6017 COUNTRY CLUB DRIVE VICTORIA, TX 77904	TRUSTEE 1.00	1,500.	0.	0.
DICK KOOP 1258 CR 312 EDNA, TX 77957	TRUSTEE 1.00	1,500.	0.	0.
ROSEMARY RUST 616 BOB-O-LINK LANE WHARTON, TX 77488	TRUSTEE 1.00	1,500.	0.	0.
JACK R. MORRISON, JR. P. O. BOX 3750 VICTORIA, TX 77903	SEC/TREAS 2.00	1,500.	0.	0.
JAMES A. BOULIGNY 1305 AVENUE K EL CAMPO, TX 77437	VICE CHAIR 1.00	1,500.	0.	0.
TERRELL MULLINS 503 E. FOURTH STREET HALLETTSVILLE, TX 77964	TRUSTEE 1.00	1,500.	0.	0.
ROBERT L. HALEPESKA 206 TRACY LANE VICTORIA, TX 77904	EXEC VICE PRES 40.00	184,214.	0.	0.
	TOTAL	$ 194,714.	$ 0.	$ 0.

STATEMENT 13
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION

NAME OF GRANT PROGRAM:	
NAME:	M. G. & LILLIE A. JOHNSON FOUNDATION
CARE OF:	ROBERT HALEPESKA
STREET ADDRESS:	P. O. BOX 2269
CITY, STATE, ZIP CODE:	VICTORIA, TX 77902
TELEPHONE:	(361) 575-7970
E-MAIL ADDRESS:	
FORM AND CONTENT:	GRANT APPLICATIONS MUST BE SUBMITTED IN WRITING, SHOULD INCLUDE BIOGRAPHICAL INFORMATION ABOUT THE PROSPECTIVE GRANTEE AND MUST INCLUDE SATISFACTORY EVIDENCE TO ASSURE OUR TRUSTEES THAT THE APPLICANT IS A QUALIFIED ORGANIZATION TO WHICH THE JOHNSON FOUNDATION MAY PROVIDE FUNDS IN ACCORDANCE WITH PERTINENT INTERNAL REVENUE

STATEMENT 13 (CONTINUED)
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION

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

M. G. & LILLIE A. JOHNSON
FOUNDATION, INC.
74-6076961

2/02/17 10.29AM

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179/ SDA	PRIOR 179/ SDA/ DEPR.	METHOD	LIFE	CURRENT DEPR.
	FORM 990/990-PF									
	FURNITURE AND FIXTURES									
1	FURNITURE	10/15/87		2,675			2,675	S/L	10	0
2	SIGN	10/15/89		348			348	S/L	10	0
3	DESK, CREDENZA, & CHAIR	12/15/89		4,035			4,035	S/L	10	0
4	FILING CABINET	6/15/07		841			841	S/L	10	0
5	5 SHELF BOOKCASE	6/15/07		433			369	S/L	10	43
6	EXECUTIVE CHAIR	6/15/07		792			672	S/L	10	79
7	60 X 60 CHAIRMAT	6/15/07		271			230	S/L	10	27
8	DESK, DRAWER & KEYBOARD	6/15/07		688			585	S/L	10	69
9	36" (2) DR FILE CABINET	6/15/07		494			420	S/L	10	49
10	48 X 24 FILE CABINET	6/15/07		388			330	S/L	10	39
11	48 X 24 FILE CABINET	6/15/07		388			330	S/L	10	39
12	COMPUTER SYSTEM	10/15/14		3,142			733	S/L	5	629
13	PRINTER/FAX MACHINE	11/15/09		393			393	S/L	5	0
14	DELL COMPUTER	12/15/06		1,799			1,799	S/L	5	0
	TOTAL FURNITURE AND FIXTURE			16,687		0	13,760			974
	TOTAL DEPRECIATION			16,687		0	13,760			974
	GRAND TOTAL DEPRECIATION			16,687		0	13,760			974

CAPITAL GAINS & LOSSES YEAR ENDING NOVEMBER 30, 2016

DATE	ASSET	SHARES	DATE ACQUIRED	PROCEEDS	BASIS	GAIN (LOSS)	
	Ameritrade						
12/31/2015						-59,372 14	Long Term
1/31/2016						1,221 17	Short Term
2/28/2016						-40,339 85	Long Term
4/30/2016						-7,317 56	Long Term
5/31/2016						-29,180 97	Short Term
						1,906 60	Long Term
6/30/2016						2,741.27	Short Term
7/31/2016						-38,615 20	Long Term
8/31/2016						13,370 73	Long Term
						-55.69	Short Term
10/31/2016						-20,072.10	Long Term
						6,116 48	Short Term
11/31/2016						16,054 29	Long Term
	WELLS FARGO-CONSOLIDATED						
12/31/2015						2,055 99	Short Term
						39,174 82	Long Term
1/31/2016						12,352 46	Short Term
2/28/2016						-941 60	Long Term
3/31/2016						-78,451 70	Short Term
4/30/2016						-7,777.44	Short Term
5/31/2016						7,704 90	Short Term
6/30/2016						-6,501 12	Short Term
07/31/2016						-11,563 44	Short Term
						-36,870 42	Long Term
08/31/2016						-6,524.37	Short Term
						2,200 41	Long Term
09/30/2016						10,867 20	Short Term
10/31/2016						-1,443.50	Long Term
						16,373 59	Short Term
11/30/2016						0 01	Long Term
						-8,165 31	Short Term
	PROSPERITY CUSTODIAL ACCOUNT						
12/31/2015						1,020 23	Short Term
						10,332 81	Long Term
1/31/2016						-143,310.15	Long Term
3/31/2016						-207,168 47	Long Term
4/30/2016						-17,649 41	Long Term

	ASSET	SHARES	DATE ACQUIRED	PROCEEDS	BASIS	GAIN (LOSS)	
5/31/2016						2,451 07	Long Term
6/30/2016						-7,187.93	Long Term
7/31/2016						-48,402 73	Long Term
8/31/2016						-24,746.66	Long Term
9/30/2016						-60,893.16	Long Term
10/31/2016						3,360 73	Long Term
11/30/2016						-86,423 07	Long Term
	UBS FINANCIAL SERVICES-KAYNE ANDERSON						
12/31/2015						-364.14	Short Term
1/31/2016						32,316 65	Long Term
2/28/2016						-12,960 80	Long Term
3/31/2016						80,875.00	Long Term
4/30/2016						18,707 86	Long Term
7/31/2016						59,464.39	Long Term
9/30/2016						152,775.27	Long Term
10/31//2016						9,680 36	Long Term
						8,343 54	Short Term
11/30/2016						-44,692 09	Long Term
	UBS FINANCIAL SERVICES-FIXED INCOME						
3/31/2016						1,744 75	Short Term
4/30/2016						7,734.25	Short Term
5/31/2016						-505.25	Short Term
						750 00	Long Term
6/30/2016						-2,405 25	Short Term
	INDIVIDUALLY HELD SECURITIES						
12/11/2015	Columbia Seligman					14,400 97	Short Term
						54,747 28	Long Term
	Metropolitan West					6,051.05	Short Term
						4,685.51	Long Term
12/21/2015	Vanguard Wellesley					11,040 89	Long Term
						278 81	Short Term
12/23/2015	Loomis Sayles					478 10	Short Term
						5,971.92	Long Term
6/30/2016	Vanguard Convertible Securities					1,279.08	Long Term
	TOTAL GAINS & LOSSES					**-389,271.08**	

M.G. and Lillie A. Johnson Foundation, Inc. 74-6076961
Assets as of November 30, 2016

Description	Shares Par Value	Interest/ Dividend Rate	Maturity Date	Unit Market Price	Cost Basis	Market Value	Estimated Annual Income	Current Yield	% of Account
Cash & Cash Equivalents									
Prosperity Bank	5,475,125.860	0 2000		1 00000	5,475,125 86	5,475,125 86	10,950 25	0 0020	4 38
Paine Webber MMKT	758,080.020	0.0100		1 00000	758,080 02	758,080.02	75 81	0.0010	0 61
PrimeVest MMKT	2,524,123 830	0 0100		1.00000	2,524,123.83	2,524,123.83	252.41	0 0010	2 02
Excise Tax Deposits	0 000			1 00000	0 00	0 00	0 00	0 0010	0 00
Total	8,757,329 710				8,757,329 71	8,757,329.71	11,278 47	0 0050	7.01
Managed Investment Accounts									
Kayne Small Cap Eq	3,521,592 620	0 889			3,521,592 62	4,506,340.67	40,046 00	0 0089	3 60
Fixed Income Laddered Portfolio	10,271,861.690	1 000			10,271,861 69	10,218,898 10	249,374 00	0 0244	8 17
Ameritrade	5,011,558.030	1 000			5,011,558 03	5,350,364 84	147,000.00	0 0275	4 28
Wells Fargo-Midcap	11,878,084 600	1 931			11,878,084 60	14,950,337.30	288,723 61	0.0193	11 95
Prosperity Bank-Mutual Funds	9,046,577 740	2.311			9,046,577 74	9,012,095 20	208,301 36	0 0231	7.21
Total	39,729,674 680				39,729,674 68	44,038,036.11	933,444.97	0 0212	35.21
Investments									
Corporate Bonds & Notes									
General Elec Cap Corp	400,000 000	6 000	02/15/17	1.00076	400,000 00	400,304 00	24,000.00	0 0600	0.32
Caterpillar Fincl Svcs	200,000 000	7.150	02/15/19	1 11317	187,230 00	222,634 00	14,300.00	0.0642	0.18
GE Capital Internotes	500,000 000	5 100	02/15/19	1 05697	500,000 00	528,485 00	25,500.00	0.0483	0 42
Lehman Bros Holdings	1,000,000 000	0 000	01/29/21	0.05775	592,375 40	57,750 00	0.00	0 0000	0 05
	2,600,000 00				1,679,605 40	1,209,173.00	63,800 00	0 0528	0.97
Common Stock									
AT&T	12,200.00	1 960		38.63000	445,175 41	471,286 00	23,912 00	0 0507	0.38
Altria Group Inc	5,800 00	2 440		63 93000	400,721 95	370,794 00	14,152.00	0.0382	0 30
Abbott Labs	10,000 000	1 040		38.07000	60,370 60	380,700.00	10,400.00	0.0273	0.30
Advansix Inc	176 000	3 909		18.70000	2,120 96	3,291.20	688.00	0 2090	0.00
AEP Inc	8,600 000	2 360		59.05000	402,928 43	507,830.00	20,296 00	0 0400	0.41
American Express Co	8,200 000	1 280		72.04000	350,495 72	590,728.00	10,496 00	0 0178	0 47
American Wtr Wks	6,100 000	1 500		72 47000	296,733.75	442,067 00	9,150 00	0 0207	0.35
Amgen Inc	2,500 000	4 000		144.07000	402,628 41	360,175 00	10,000.00	0 0278	0.29
Apple Inc	4,500 000	2 280		110 52000	495,740 55	497,340 00	10,260.00	0 0206	0.40
Baker Hughes	3,400 000	0 680		64.33000	196,955 83	218,722 00	2,312 00	0 0106	0 17
Bank of America	29,800.000	0 300		21.12000	403,944.25	629,376 00	8,940 00	0.0142	0.50
Berkshire Hathaway	5,000 000	0 000		157.44000	252,219 95	787,200.00	0 00	0 0000	0 63

M. G. & Lillie A. Johnson Foundation, Inc. 74-6076961 FYE 11/30/2016

Description	Shares Par Value	Interest/ Dividend Rate	Maturity Date	Unit Market Price	Cost Basis	Market Value	Estimated Annual Income	Current Yield	% of Account
Bristol Myers Squibb Co	14,800 000	1 520		56 44000	352,198 67	835,312 00	22,496 00	0 0269	0.67
Caterpillar Inc	7,300 000	3 080		95 56000	481,621 90	697,588 00	22,484 00	0 0322	0 56
Chevron Texaco Corp	8,600 000	4 320		111 56000	242,365 03	959,416 00	37,152 00	0 0387	0 77
Cisco	15,250 000	1 040		29 82000	400,012.75	454,755 00	15,860 00	0 0349	0.36
Coca-Cola Co	9,500 000	1.400		40 35000	348,944 81	383,325 00	13,300 00	0 0347	0 31
Cole Credit Property Trust V	20,202 020	0 700		24 00000	500,000 00	484,848 48	29,090 91	0.0600	0 39
Colgate Palmolive	15,200 000	1 560		65 23000	206,453 64	991,496 00	23,712 00	0.0239	0 79
Comcast Corp	5,500 000	1 100		69 51000	290,617.75	382,305 00	6,050 00	0 0158	0 31
CSX Corporation	16,000 000	0 720		35 81000	309,675 37	572,960 00	11,520 00	0 0201	0 46
Danaher Corp	16,400 000	0 500		78 17000	184,807 70	1,281,988 00	8,200 00	0 0064	1 02
Dominion Resources Inc	10,000 000	2 800		73 29000	558,570 84	732,900 00	28,000 00	0.0382	0 59
Dow Chemical	9,500.000	1 840		55 72000	394,022 95	529,340 00	17,480.00	0 0330	0 42
Duke Energy	8,433 000	3 420		73 77000	554,433.39	622,102 41	28,841 28	0 0464	0.50
Eaton Corp PCL	6,300 000	2 280		66 51000	402,732 77	419,013 00	14,364 00	0 0343	0 33
Emerson Elec Co	13,300 000	1 920		56 44000	175,816 66	750,652.00	25,536 00	0.0340	0 60
Energy Transfer	4,600 000	4.220		35 12000	201,301 25	161,552 00	19,412.00	0 1202	0 13
Enterprise Products Partner	10,000 000	1 620		25 93000	204,245 23	259,300 00	16,200 00	0 0625	0 21
Exxon Mobil Corp	11,153 000	3 000		87 30000	177,201.23	973,656 90	33,459 00	0 0344	0 78
Fastenal Co	5,600 000	1.200		47 40000	197,722 72	265,440.00	6,720.00	0 0253	0 21
Fedex Corp	4,000 000	1 600		191 67000	339,999 25	766,680 00	6,400 00	0 0083	0 61
Fortive Corp	8,200 000	0 280		54 99000	60,182 00	450,918 00	2,296 00	0 0051	0.36
General Electric Co	12,400.000	0 920		30 76000	403,315 25	381,424.00	11,408.00	0 0299	0 30
General Mills Inc	9,600 000	1 920		60 94000	445,903 46	585,024.00	18,432.00	0 0315	0 47
Gilead Sciences Inc	4,650 000	1.880		73 70000	401,874 80	342,705.00	8,742 00	0.0255	0.27
Griffin Capital Essential	50,087 040			8 90000	500,000 00	445,774 66	24,517.61	0 0550	0.36
Halliburton	5,200 000	0 720		53 09000	200,654 56	276,068.00	3,744 00	0 0136	0 22
Home Depot	11,400 000	2 760		129 40000	302,762 81	1,475,160.00	31,464 00	0 0213	1.18
Honeywell Intl Inc	4,400 000	2 660		113 94000	398,508 57	501,336 00	11,704 00	0.0233	0 40
Intel	30,200 000	1 040		34 70000	229,617 58	1,047,940 00	31,408 00	0 0300	0 84
Intl Business Mach	5,000 000	5 600		162 22000	407,275 25	811,100 00	28,000 00	0 0345	0 65
Johnson & Johnson Company	14,000 000	3 200		111 30000	138,653 80	1,558,200 00	44,800 00	0 0288	1 25
JPMorgan Chase & Co	7,000.000	1.920		80 17000	404,249 75	561,190 00	13,440 00	0 0239	0 45
McDonalds Corp	5,500 000	3.760		119 27000	487,862 95	655,985 00	20,680 00	0 0315	0 52
Medtronic PLC	11,000 000	1 720		73 01000	846,450 00	803,110 00	18,920.00	0 0236	0 64
Merck & Co	17,000.000	1 880		61 19000	803,572 60	1,040,230 00	31,960.00	0 0307	0 83
Metlife Inc	7,100.000	1 600		55 01000	402,936.05	390,571 00	11,360 00	0.0291	0.31
Microsoft	19,800 000	1.560		60 26000	418,421 00	1,193,148 00	30,888 00	0 0259	0 95
National Grid PLC	5,400.000	3.147		57 07000	401,490 95	308,178 00	16,994 00	0 0551	0 25
Nestle S A Sponsored ADR	6,200.000	1.947		67 30000	303,146 50	417,260 00	12,071.00	0 0289	0 33

M. G. & Lillie A. Johnson Foundation, Inc. 74-6076961 FYE 11/30/2016

Description	Shares Par Value	Interest/ Dividend Rate	Maturity Date	Unit Market Price	Cost Basis	Market Value	Estimated Annual Income	Current Yield	% of Account
Nextera Energy Inc	9,400 000	3 480		114 23000	319,596 21	1,073,762 00	32,712.00	0 0305	0 86
Norfolk Sthn Corp	5,800 000	2.360		106 46000	351,042 69	617,468.00	13,688 00	0 0222	0 49
Novartis	6,850 000	2 303		68 76000	400,524 75	471,006 00	15,776 00	0 0335	0 38
Oneok Inc	6,400 000	2 460		54 93000	89,330 90	351,552 00	15,744 00	0 0448	0 28
Pepsico Inc	12,200 000	3 010		100.10000	223,604 93	1,221,220 00	36,722 00	0 0301	0 98
Pfizer Inc	22,000 000	1 200		32 14000	185,339 45	707,080 00	26,400 00	0 0373	0 57
Philip Morris Intl Inc	4,600 000	4 160		88 28000	43,782 11	406,088 00	19,136 00	0 0471	0 32
Procter & Gamble Co	12,500 000	2.678		82 46000	125,334 75	1,030,750 00	33,475 00	0 0325	0 82
Schlumberger Ltd	9,200 000	2 000		84 05000	175,717 27	773,260 00	18,400 00	0 0238	0 62
Travelers Cos Inc	6,000 000	2 680		113 35000	300,534 65	680,100 00	16,080 00	0 0236	0 54
Tupperware Brands	3,200 000	2 720		55 44000	201,765 95	177,408 00	8,704 00	0 0491	0 14
Unilever OLC Amer	8,300 000	1 382		39 98000	302,731 15	331,834 00	11,471 00	0 0346	0 27
United Technologies Corp	5,400 000	2 640		107 72000	446,472 95	581,688 00	14,256 00	0 0245	0 47
Verizon Communications	12,000 000	2 310		49 90000	282,819 76	598,800 00	27,720 00	0 0463	0 48
Wal Mart Stores	6,500.000	2 000		70 43000	356,296 50	457,795 00	13,000.00	0 0284	0 37
Wells Fargo & Co	10,400 000	1 520		52 92000	501,695 95	550,368 00	15,808 00	0.0287	0 44
Williams COS Inc	11,500 000	0 800		30 70000	401,283.61	353,050 00	9,200 00	0 0261	0.28
3M Co	6,700 000	4 440		171 74000	148,446 87	1,150,658 00	29,748 00	0 0259	0 92
Totals	683,001 060				22,645,978 05	42,563,347 65	1,237,751 80	0.0291	34 03
Mutual Funds									
American Funds Cap Wld Bond Fund	62,312 418			19 08000	1,286,611.14	1,188,920 94	18,070 00	0 0152	0 95
Columbia Seligman Comm and Inform	11,663.445			62.99000	548,053 81	734,680 40	0 00	0 0000	0.59
Delaware Diversified Floating Rate Clas	116,822 430			8 32000	1,000,000 00	971,962 62	17,874 00	0 0184	0 78
Delaware Diversified Income Fund	114,102.144			8 59000	1,016,798.85	980,137 42	31,036 00	0 0317	0 78
Dodge & Cox Int'l Stock Fund	13,750.000			38.55000	529,488 58	530,062 50	11,550.00	0.0218	0 42
FT-Templeton Global Bond A	93,556 002			11 64000	1,016,669 92	1,088,991 86	22,453 00	0 0206	0.87
FT-Franklin Income A	392,468 512			2 25000	1,000,475 84	883,054 15	47,096.00	0 0533	0 71
Kayne Anderson MLP Investment	20,367 000			19 72000	490,616 13	401,637 24	44,807 00	0.1116	0 32
Kayne Anderson Midstream	16,000 000			15 33000	404,920 25	245,280 00	22,400 00	0 0913	0 20
Loomis Sayles Invest	43,463 754			11 25000	511,852.18	488,967 23	11,344 00	0 0232	0.39
Metropolitan West Total Return Bond	91,157 703			10 69000	1,000,075.00	974,475 85	15,861 00	0 0163	0.78
Oppenheimer Intl Bond A	86,941 000			5 60000	507,423 52	486,869 60	19,736 00	0 0405	0 39
Pimco Real Return Class A	92,013 145			10 94000	1,002,019 43	1,006,623 81	4,969 00	0 0049	0.80
Templeton Global Total Return CL A	92,835.240			11 71000	1,251,851.43	1,087,100.66	30,294.00	0 0279	0 87
Vanguard Convertible Sec Inv	9,202 036			12 67000	101,010 93	116,589 80	2,181 00	0 0187	0 09
Vanguard Specialized Port Energy	953 834			101 05000	100,000.00	96,384 93	1,985 00	0 0206	0 08
Vanguard Wellesley Inc	18,587 361			25 62000	400,000 00	476,208 19	13,866 00	0 0291	0 38
Totals	1,213,883.606				12,167,867 01	11,757,947 20	315,522 00	0 0268	9 40

M. G. & Lillie A. Johnson Foundation, Inc. 74-6076961 FYE 11/30/2016

Description	Shares Par Value	Interest/ Dividend Rate	Maturity Date	Unit Market Price	Cost Basis	Market Value	Estimated Annual Income	Current Yield	% of Account
Miscellaneous Assets									
Office Equipment	14,494 670				14,494 67	14,494 67			0 01
Machinery & Equipment	2,191 960				2,191 96	2,191 96			0 00
Accumulated Depreciation					(13,760.01)	(13,760 01)			(0 01)
Total	16,686 63				2,926 62	2,926 62			0 00
Mineral Interests									
Various Mineral and Royalty Interest· Brazoria, Colorado, Dimmit, Fayette Harris, Jackson, LaSalle, Lavaca, Matagorda, Webb, and Wharton Counties	604,454 240				604,454 24	11,662,828 99	7,370,433 30	0 6320	9 32
Accumulated Depletion	-604,454 240				(604,454 24)				0 00
Net Mineral Interests	0 000				0 00	11,662,828 99	7,370,433 30	0 6320	9 32
Real Estate	Acres								
Texas									
Jackson County	939 174				519,499 00	923,390 00	12,500 00	0 0135	0.74
Wharton County-Farm	26 333				21,528 00	229,038 00	871.00	0 0038	0 18
Webb Co Ranch	5,344 564				2,139,301 76	3,935,360 00	67,383 00	0 0171	3 15
Total	6,310 071				2,680,328.76	5,087,788 00	80,754 00	0 0159	4 07
Grand Totals					**87,663,710.23**	**125,079,377.28**	**10,012,984.54**	**0.0801**	**100.00**

GRANTS PAID FOR YEAR ENDING NOVEMBER 30, 2016

$52,000.00 to the Olivia Port Alto VFD to purchase a Jaws of Life and a one ton truck to be used as a Brush/Fire Truck.

$5,000.00 to the Calhoun County Senior Citizens Asso. Inc. to purchase a new refrigeration unit.

$50,000.00 to the Colorado County EMS to purchase a new chassis and remount a refurbished box on an ambulance.

$37,000.00 to the Goliad County EMS to purchase equipment for its 2015 ambulance.

$150,000.00 to the Jackson County Hospital District to purchase a Digital X-ray machine.

$100,000.00 to the Lavaca Medical Center to purchase four Vitals machines and an Anesthesia machine. Terrell Mullins abstained from the vote.

$20,000.00 to the Lavaca County Senior Citizens Program to purchase a vehicle for its meals-on-wheels program.

$118,000.00 to MEHOP Matagorda County to purchase equipment for its Dental Program in Wharton and Matagorda Counties.

$3,000.00 to Christ's Kitchen to purchase a new 2-door cooler.

$80,500.00 to the Food Bank of the Golden Crescent to purchase a cargo van and miscellaneous equipment for its facility.

$60,000.00 to Hospice of South Texas to purchase grounds and garden equipment and an equipment storage building. Russell Marshall abstained from the vote.

$40,000.00 to the Quail Creek Volunteer Fire Department to purchase a Wildland first responder unit.

$125,000.00 to the Golden Crescent Habitat for Humanity for infrastructure work on its Koinonia Neighborhood Project and to fund the construction of its 100th house.

$100,000.00 to the Victoria County Senior Citizens Asso. to purchase a new van and for repairs to its roofs and parking lots.

$31,500.00 to the Salvation Army to renovate a men's dorms and for various repairs to its building.

$34,000.00 to the Center Foundation to repair its chapel at its Willow Creek Farms location.

$15,000.00 to Manna Meals El Campo for renovations and set up costs to move to a new location.

$100,000.00 to the City of Wharton to purchase an ambulance for the Wharton EMS.

$13,900.00 to Texas Parks and Wildlife to purchase equipment for Game Wardens in Victoria, Jackson, Calhoun, Dewitt and Lavaca Counties.

$35,000.00 to the Lutheran Social Services of the South DBA Upbring for program enhancements for its Head Start and Early Head Start Programs in Wharton and Matagorda Counties.

$9,971.12 to the DeTar Volunteer Services, Inc. for a hardware and software upgrade at its store in the hospital.

$50,000.00 to the Community Action Committee of Victoria, Texas to construct a kitchen at its new location.

$300,000.00 to the University of Houston-Victoria for direct scholarships with preference being given to students in the Nursing and Allied Health Programs.

$600,000.00 to the Wharton County Junior College for direct scholarships with preference being given to students in the Nursing and Allied Health Programs.

$100,000.00 to the Victoria College to be used for Allied Health equipment, for prior learning assessments and the Fire Academy.

$200,000.00 to the Victoria College to be used as direct scholarships at the Emerging Technology Center which includes students participating in the Workforce and Continued Education Programs.

$600,000.00 to the Victoria College for direct scholarships with preference given to students in the Nursing and Allied Heath Programs.

$70,000.00 to Camp Aranzazu to construct a bridge over Loop 1781 at the camp in Rockport.

$25,500.00 to the Seadrift Area Volunteer Emergency Services to equip a vehicle for a brush/fire truck.

$24,000.00 to the Gonzales County Senior Citizens Assoc., Inc. to purchase two vehicles for its meals-on-wheels program.

$150,000.00 to the Jackson County Hospital District to purchase two bariatric stretchers and to construct an emergency station in Ganado.

$43,935.00 to the Arc of Matagorda County to purchase a 2016 Transit Wagon XLT van.

$75,000.00 to the Hallettsville Volunteer Fire Department to purchase a Ford F550 First Responder Fire and Rescue Truck.

$20,000.00 to the Mission Valley Volunteer Fire Department to purchase a brush truck.

$5,800.00 to the Victoria County Senior Citizens Asso. to replace a condensing unit, evaporator coil, furnace and thermostat for the Murray Center in Victoria.

$58,500.00 to the Boys and Girls Club of El Campo to replace the roof over its classrooms and remaining carpeted areas.

$75,000.00 to the El Campo EMS to purchase a Frazier Type I ambulance.

$855,620.00 to the Victoria College for several projects: 1) $214,317.00 for Fine Arts equipment and facilities, 2) $341,650.00 for Allied Health equipment, 3) $100,400.00 for the Underserved Population, 4) $89,253.00 for Science equipment and 5) $100,000.00 for Innovative Learning Classrooms and Business and Computer Skills. Jack Morrison and Dick Koop opposed the motion.

$500,000.00 to the University of Houston-Victoria to purchase a Nuclear Magnetic Resonance Spectrometer for its biochemistry and organic chemistry programs.

$100,000.00 to the YMCA of the Golden Crescent to purchase wellness equipment.

$120,000.00 to the El Campo Medical Foundation to purchase a Nurse Call System, equipment to convert computed radiography to digital radiography, an EKG machine, a bariatric bed and a Blanket/Fluid Warmer.

$21,500.00 to the Six Mile Community Volunteer Fire Department to purchase a skid unit for a Brush Truck.

$108,631.00 to the Boys and Girls Club of Dewitt County to renovate its kitchen facility and purchase a walk-in cooler/freezer.

$50,000.00 to the Jackson County Emergency Services District No. 3 to purchase a chassis, an aluminum bed, bumpers and emergency lighting for a Brush/Fire Truck.

$1,402.00 to the Jackson County Memorial Library to purchase a rotating display for books.

$8,853.32 to the Helping Hands of Jackson County, Inc. to renovate its building.

$45,000.00 **to the Lavaca Medical Center** to purchase a Cal Top 300 CTS Coagulation Analyzer. Terrell Mullins abstained from the vote.

$3,500.00 to Team First Book-Matagorda County to purchase books for economically disadvantaged children in Matagorda County.

$25,000.00 to the Crisis Center in Matagorda County for the renovation of its facility.

$114,000.00 to the Refugio County Memorial Hospital to purchase equipment for its emergency room renovation project.

$17,000.00 to the Affectionate Arms Adult Day Health Care Center to purchase furnishings and signage.

$80,000.00 to the Gulf Bend Center to purchase an updated computer system.

$13,694.27 to the Golden Crescent Regional Advisory Council on Trauma to purchase LIFENET for area EMS providers and hospital care teams.

$65,000.00 to the Northside Center, Inc. to replace the roof on its learning-center.

$125,000.00 to the YMCA of the Golden Crescent to renovate a building at the Calhoun County YMCA.

$55,000.00 to the Boys & Girls Club of Wharton to renovate the Dobson Youth and Teen Center.

$50,000.00 top Devereux to renovate a building for a Community Service Center.

Total Grants Paid $5,936,806.71