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Form 990-PF

Department of the Treasury  
Internal Revenue Service

## 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 instructions is at [www.irs.gov/form990pf](http://www.irs.gov/form990pf).

2016

Open to Public  
Inspection

For calendar year 2016, or tax year beginning 01-01-2016, and ending 12-31-2016

<p>Name of foundation The Dixon Water Foundation</p> <p>Number and street (or P O box number if mail is not delivered to street address) 4528 County Road 398</p> <p>City or town, state or province, country, and ZIP or foreign postal code Decatur, TX 76234</p> <p><b>G</b> Check all that apply      <input type="checkbox"/> Initial return      <input type="checkbox"/> Initial return of a former public charity  <input type="checkbox"/> Final return      <input type="checkbox"/> Amended return  <input type="checkbox"/> Address change      <input type="checkbox"/> Name change</p> <p><b>H</b> Check type of organization      <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation  <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust      <input type="checkbox"/> Other taxable private foundation</p> <p><b>I</b> Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$ 52,476,077</p>		<p><b>A</b> Employer identification number 75-2521176</p> <p><b>B</b> Telephone number (see instructions) (940) 768-2740</p> <p><b>C</b> If exemption application is pending, check here ► <input type="checkbox"/></p> <p><b>D</b> 1. Foreign organizations, check here ► <input type="checkbox"/>  2. Foreign organizations meeting the 85% test, check here and attach computation ► <input type="checkbox"/></p> <p><b>E</b> If private foundation status was terminated under section 507(b)(1)(A), check here ► <input type="checkbox"/></p> <p><b>F</b> If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► <input type="checkbox"/></p>			
		<p><b>J</b> Accounting method      <input checked="" type="checkbox"/> Cash      <input type="checkbox"/> Accrual  <input type="checkbox"/> Other (specify) _____</p> <p>(Part I, column (d) must be on cash basis )</p>			
<p><b>Part I</b> <b>Analysis of Revenue and Expenses</b> (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))</p>		<p><b>(a)</b> Revenue and expenses per books</p>	<p><b>(b)</b> Net investment income</p>	<p><b>(c)</b> Adjusted net income</p>	<p><b>(d)</b> Disbursements for charitable purposes (cash basis only)</p>
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	55,469	55,469	55,469	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	459,774			
	b Gross sales price for all assets on line 6a	1,507,581			
	7 Capital gain net income (from Part IV, line 2)		459,774		
	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)	919,747	724,831			
12 <b>Total.</b> Add lines 1 through 11	1,434,990	1,240,074	55,469		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	248,000	124,000	124,000	
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)	41,328	20,664	20,664	
	b Accounting fees (attach schedule)	9,272	4,636	4,636	
	c Other professional fees (attach schedule)	27,409	21,484		
	17 Interest	104,709		104,709	
	18 Taxes (attach schedule) (see instructions)	79,060		47,630	
	19 Depreciation (attach schedule) and depletion	268,321			
	20 Occupancy				
	21 Travel, conferences, and meetings	28,097		28,097	
	22 Printing and publications	1,700			
	23 Other expenses (attach schedule)	765,668	5,170	628,375	
	<b>24 Total operating and administrative expenses.</b>	1,573,564	175,954	958,111	
25 Contributions, gifts, grants paid	359,765		359,765		
<b>26 Total expenses and disbursements.</b> Add lines 24 and 25	1,933,329	175,954	1,317,876		
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	-498,339				
b Net investment income (if negative, enter -0-)		1,064,120			
c Adjusted net income (if negative, enter -0-)			55,469		

<b>Part II Balance Sheets</b>		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
<b>Assets</b>					
1	Cash—non-interest-bearing		323,961	84,012	84,012
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 schedule) ►				
	Less allowance for doubtful accounts ►				
8	Inventories for sale or use	761,950	594,800	594,800	
9	Prepaid expenses and deferred charges				
10a	Investments—U S and state government obligations (attach schedule)				
b	Investments—corporate stock (attach schedule)	3,357,768	3,405,444	3,405,444	
c	Investments—corporate bonds (attach schedule)				
11	Investments—land, buildings, and equipment basis ►				
	Less accumulated depreciation (attach schedule) ►				
12	Investments—mortgage loans				
13	Investments—other (attach schedule)	5,195,518	3,033,325	3,033,325	
14	Land, buildings, and equipment basis ►	47,020,853			
	Less accumulated depreciation (attach schedule) ►	1,662,357			
15	Other assets (describe ►)				
16	<b>Total assets</b> (to be completed by all filers—see the instructions Also, see page 1, item I)	52,301,456	52,476,077	52,476,077	
<b>Liabilities</b>					
17	Accounts payable and accrued expenses				
18	Grants payable				
19	Deferred revenue				
20	Loans from officers, directors, trustees, and other disqualified persons				
21	Mortgages and other notes payable (attach schedule)		3,394,977		
22	Other liabilities (describe ►)				
23	<b>Total liabilities</b> (add lines 17 through 22)		3,394,977		
<b>Net Assets or Fund Balances</b>					
	<b>Foundations that follow SFAS 117, check here ►</b> <input type="checkbox"/>				
	<b>and complete lines 24 through 26 and lines 30 and 31.</b>				
24	Unrestricted				
25	Temporarily restricted				
26	Permanently restricted				
	<b>Foundations that do not follow SFAS 117, check here ►</b> <input checked="" type="checkbox"/>				
	<b>and complete lines 27 through 31.</b>				
27	Capital stock, trust principal, or current funds		1,000	1,000	
28	Paid-in or capital surplus, or land, bldg , and equipment fund				
29	Retained earnings, accumulated income, endowment, or other funds	52,300,456	49,080,100		
30	<b>Total net assets or fund balances</b> (see instructions)	52,301,456	49,081,100		
31	<b>Total liabilities and net assets/fund balances</b> (see instructions)	52,301,456	52,476,077		

**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	52,301,456
2	Enter amount from Part I, line 27a	2	-498,339
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	51,803,117
5	Decreases not included in line 2 (itemize) ►	5	2,722,017
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	49,081,100

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

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)			(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a See Additional Data Table					
b					
c					
d					
e					
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)		
a See Additional Data Table					
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 See Additional Data Table					
b					
c					
d					
e					
2 Capital gain net income or (net capital loss)		If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7	2	459,774	
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		-7,572	

**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

 Yes  No

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

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 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))
2015	1,380,145	18,777,083	0 07350
2014	1,688,579	21,348,253	0 07910
2013	1,463,650	22,402,734	0 06533
2012	1,192,788	21,475,549	0 05554
2011	820,536	11,388,908	0 07205
<b>2 Total</b> of line 1, column (d)			<b>2</b> 0 345522
<b>3 Average</b> 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			<b>3</b> 0 069104
<b>4 Enter</b> the net value of noncharitable-use assets for 2016 from Part X, line 5			<b>4</b> 11,347,180
<b>5 Multiply</b> line 4 by line 3			<b>5</b> 784,136
<b>6 Enter</b> 1% of net investment income (1% of Part I, line 27b)			<b>6</b> 10,641
<b>7 Add</b> lines 5 and 6			<b>7</b> 794,777
<b>8 Enter</b> qualifying distributions from Part XIII, line 4			<b>8</b> 1,317,876

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 ► <input type="checkbox"/> and enter "N/A" on line 1	1	10,641
	Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input checked="" type="checkbox"/> and enter 1% of Part I, line 2b	1	10,641
c	All other domestic foundations enter 2% of line 2b 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	
3	Add lines 1 and 2.	3	10,641
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3 If zero or less, enter -0- . . . . .	5	10,641
6	Credits/Payments		
a	2016 estimated tax payments and 2015 overpayment credited to 2016	6a	45,258
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	45,258
8	Enter any <b>penalty</b> for underpayment of estimated tax Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	
9	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b>	9	
10	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b>	10	34,617
11	Enter the amount of line 10 to be <b>Credited to 2017 estimated tax</b> ►	34,617	<b>Refunded</b> ►
			11

**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?	1a	Yes	No
b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for definition)?	1b	Yes	No
	<i>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</i>			
c	Did the foundation file <b>Form 1120-POL</b> for this year?	1c	Yes	No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year			
(1)	On the foundation ► \$ _____	(2)	On foundation managers ► \$ _____	
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ _____			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS?	2	Yes	No
	<i>If "Yes," attach a detailed description of the activities</i>			
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? <i>If "Yes," attach a conformed copy of the changes</i>	3	Yes	No
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	Yes	No
b	If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year?	4b	Yes	No
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year?	5	Yes	No
	<i>If "Yes," attach the statement required by General Instruction T</i>			
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either <ul style="list-style-type: none"> <li>• By language in the governing instrument, or</li> <li>• 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?</li> </ul>	6	Yes	
7	Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions)			
	►TX			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation</i>	8b	Yes	
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 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>	9	Yes	No
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	10	Yes	No

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

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	No
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	No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ►N/A	13	Yes
14	The books are in care of ►THE DIXON WATER FOUNDATION	Telephone no ►(940) 768-2740	
Located at ►4528 COUNTY ROAD 398 DECATUR TX			ZIP+4 ►76234
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of <b>Form 1041</b> —Check here and enter the amount of tax-exempt interest received or accrued during the year.	15	<input type="checkbox"/>
16	At any time during calendar year 2016, 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? See instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR) If "Yes", enter the name of the foreign country ►	16	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(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
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> 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)?.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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).	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 1a(1)–(6), did <b>any</b> 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)? Organizations relying on a current notice regarding disaster assistance check here.	1b	No <input type="checkbox"/>
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 2016?	1c	No <input type="checkbox"/>
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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? If "Yes," list the years ► 20____, 20____, 20____, 20____	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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 <b>all</b> years listed, answer "No" and attach statement—see instructions) .	2b	No <input type="checkbox"/>
c	If the provisions of section 4942(a)(2) are being applied to <b>any</b> of the years listed in 2a, list the years here ► 20____, 20____, 20____, 20____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If "Yes," did it have excess business holdings in 2016 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 2016) .	3b	No <input type="checkbox"/>
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	No <input type="checkbox"/>
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 2016?	4b	No <input type="checkbox"/>

**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))? (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? (3) Provide a grant to an individual for travel, study, or other similar purposes? (4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions). (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 5a(1)–(5), did <b>any</b> 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)? . . . . . Organizations relying on a current notice regarding disaster assistance check here. . . . . ►	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	5b	No
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? . . . . . <i>If "Yes," attach the statement required by Regulations section 53.4945-5(d)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	6b	No
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . . <i>If "Yes" to 6b, file Form 8870</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	7b	No
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

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

(a) Name and address	Title, and average hours per week (b) devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, (e) other allowances
See Additional Data Table				

**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	Title, and average hours per week (b) devoted to position	(c) Compensation	Contributions to employee benefit plans and deferred compensation (d)	Expense account, (e) other allowances
JERRY BAGGS 125 W FIRST STREET LINDSAY, TX 76250	AST RANCH MGR 40 00	50,200		7,200
ROBERT J TUGGLE 217 COUNTRY ROAD 334 DECATUR, TX 76234	RANCH MANGER 40 00	68,200		8,117
<b>Total number of other employees paid over \$50,000.</b> . . . . .				

**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
NONE		

Total number of others receiving over \$50,000 for professional services. . . . . ►

**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 Kids On The Land [April 11-13, 2015]KOL is a unique STEM environmental program designed to teach children about the region where they live, connecting them to the land and a more sustainable future. Every activity for students within the program encompasses independent thinking and outdoor classrooms where they can use their senses to learn. Examples that students can actually see, touch and smell are used as learning tools. Primarily, the program provides educational experiences for grades kindergarten through sixth. We had 1 volunteer training day and 40 total students [3rd, 4th & 5th graders] over 3 days at our Leo Ranch	22,700
2 Texas Wildlife Association L A N D S [April 15 & 22, 2016]Program stands for Learning Across New Dimensions in Science. They bring Middle School kids to our ranch to teach and understand Texas's Natural Resources. They participated in Animal Telemetry, Rainwater simulator to learn about how water is absorbed in the soil. Nature walk to resources so we can continue to enjoy them in the future. 230 students attended this event	3,250
3 Noble Foundation Landowner Workshop [September 13, 2016]Workshop for landowners in the area to learn about what we do in ranching and how we do it. Ranch managers talked about our land management and gave a tour of the ranch to discuss cattle management and fencing techniques. 20 adults attended this event	1,250
4 Oklahoma University Architects School [September 30, 2016]Architect students did a class at the Josey Pavilion. The students discussed with Tenna Florian [architect for the Josey Pavilion] via Skype about the challenges they faced with the Living Building Challenge. The students are in the process of entering their individual projects for a sustainable architecture contest. They are going to build an education facility in Norman, OK to be open to the public. 40 very interested and bright students attended this event	1,700

**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	
2	
All other program-related investments. See instructions	
3	
<b>Total. Add lines 1 through 3</b>	►

**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	3,300,636
b	Average of monthly cash balances. . . . .	1b	195,138
c	Fair market value of all other assets (see instructions). . . . .	1c	8,024,206
d	<b>Total</b> (add lines 1a, b, and c). . . . .	1d	11,519,980
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	
3	Subtract line 2 from line 1d. . . . .	3	11,519,980
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions). . . . .	4	172,800
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3 Enter here and on Part V, line 4	5	11,347,180
6	<b>Minimum investment return.</b> Enter 5% of line 5. . . . .	6	567,359

**Distributable Amount** (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign**Part XI** organizations check here ►  and do not complete this part )

1	Minimum investment return from Part X, line 6. . . . .	1	567,359
2a	Tax on investment income for 2016 from Part VI, line 5. . . . .	2a	10,641
b	Income tax for 2016 (This does not include the tax from Part VI). . . . .	2b	
c	Add lines 2a and 2b. . . . .	2c	10,641
3	Distributable amount before adjustments Subtract line 2c from line 1. . . . .	3	556,718
4	Recoveries of amounts treated as qualifying distributions. . . . .	4	
5	Add lines 3 and 4. . . . .	5	556,718
6	Deduction from distributable amount (see instructions). . . . .	6	
7	<b>Distributable amount</b> as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1. . . . .	7	556,718

**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	1,317,876
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	<b>Qualifying distributions.</b> Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	1,317,876
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	10,641
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4. . . . .	6	1,307,235
<b>Note:</b> 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 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				556,718
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only. . . . .				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2016				
a From 2011. . . . .	284,385			
b From 2012. . . . .	151,237			
c From 2013. . . . .	397,532			
d From 2014. . . . .	663,306			
e From 2015. . . . .	482,277			
f Total of lines 3a through e. . . . .	1,978,737			
4 Qualifying distributions for 2016 from Part XII, line 4 ► \$ 1,317,876				
a Applied to 2015, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see instructions). . . . .				
c Treated as distributions out of corpus (Election required—see instructions). . . . .	0			
d Applied to 2016 distributable amount. . . . .				556,718
e Remaining amount distributed out of corpus	761,158			
5 Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a) )				
6 Enter the net total of each column as indicated below:	2,739,895			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b. . . . .				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed. . . . .				
d Subtract line 6c from line 6b Taxable amount—see instructions . . . . .				
e Undistributed income for 2015 Subtract line 4a from line 2a Taxable amount—see instructions . . . . .				
f Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2017. . . . .				0
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) . . . . .				
8 Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions) . . . . .	284,385			
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a. . . . .	2,455,510			
10 Analysis of line 9				
a Excess from 2012. . . . .	151,237			
b Excess from 2013. . . . .	397,532			
c Excess from 2014. . . . .	663,306			
d Excess from 2015. . . . .	482,277			
e Excess from 2016. . . . .	761,158			

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

1a	If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2016, enter the date of the ruling. ►			
b	Check box to indicate whether the organization is a private operating foundation described in section <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)			
2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed.			
b	85% of line 2a.			
c	Qualifying distributions from Part XII, line 4 for each year listed.			
d	Amounts included in line 2c not used directly for active conduct of exempt activities.			
e	Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c.			
3	Complete 3a, b, or c for the alternative test relied upon			
a	"Assets" alternative test—enter			
(1)	Value of all assets.			
(2)	Value of assets qualifying under section 4942(j)(3)(B)(i)			
b	"Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed.			
c	"Support" alternative test—enter			
(1)	Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties).			
(2)	Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(III).			
(3)	Largest amount of support from an exempt organization			
(4)	Gross investment income			

**Part XV Supplementary Information (Complete this part only if the organization 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))

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

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

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

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

ROBERT J POTTS  
P O BOX 177  
MARFA, TX 79843  
(432) 729-4600

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

2 - 3 PAGE DESCRIPTION OF PROJECT ALONG WITH BUDGET AND SUPPORTING MATERIALS

c Any submission deadlines

NONE

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

LIMITED TO LAND MANAGEMENT, WATERSHED PROTECTION AND EDUCATION

## **Part XV    Supplementary Information (continued)**

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

**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 55,469
5 Net rental income or (loss) from real estate				
a Debt-financed property.				
b Not debt-financed property.				
6 Net rental income or (loss) from personal property				
7 Other investment income.				
8 Gain or (loss) from sales of assets other than inventory				14 515,087 -55,313
9 Net income or (loss) from special events				
10 Gross profit or (loss) from sales of inventory				
11 Other revenue a See Additional Data Table				
b				
c				
d				
e				
12 Subtotal Add columns (b), (d), and (e).				1,318,387 116,603
13 Total. Add line 12, columns (b), (d), and (e). (See worksheet in line 13 instructions to verify calculations )				13 1,434,990

## Part XVII

## **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations**

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting foundation to a noncharitable exempt organization of

(1) Cash. . . . .	1a(1)	No
(2) Other assets. . . . .	1a(2)	No

**b Other transactions**

(5) Loans or loan guarantees. . . . .  
(6) Performance of services or membership or fundraising solicitations.

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees. . . . . 1c No

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.

in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

**2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations

described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? . . . . .  Yes  No

**b** If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship

**Sign** 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

**Sign  
Here**

\* \* \* \* \*

2017-10-13

\* \* \* \* \*

May the IRS discuss this return  
with the preparer shown below  
(see instr.)?  Yes  No

<b>Paid Preparer Use Only</b>	Print/Type preparer's name  Ronnie Messina	Preparer's Signature	Date	Check if self-employed ► <input checked="" type="checkbox"/>	PTIN  P00113418
	Firm's name ► Ronald B Messina CPA				Firm's EIN ►
	Firm's address ► 12700 Hillcrest Road 145  Dallas, TX 75230				Phone no (972) 661-0283

**Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d**

List and describe the kind(s) of property sold (e.g., real estate, <b>(a)</b> 2-story brick warehouse, or common stock, 200 shs MLC Co.)	<b>(b)</b> How acquired P—Purchase D—Donation	<b>(c)</b> Date acquired (mo., day, yr.)	<b>(d)</b> Date sold (mo., day, yr.)
EXHIBIT B - CHARLES SCHWAB #4159-1810	P	2016-12-31	2016-12-31
EXHIBIT B - CHARLES SCHWAB #4159-1810	P	2000-12-31	2016-12-31
STILLWATER #217911400114	P	2008-08-14	2016-04-22
LOT 19 #217915402019	P	2008-08-14	2016-04-22
LOT 18A #217923200002	P	2008-08-14	2016-04-22
1989 TOYOTA TRUCK	P	2013-01-01	2016-12-31
2000 FORD 250 W/BALE	P	2013-01-01	2016-12-31
PC FORD [2006/F350/WHITE]	P	2013-01-01	2016-12-31
2008 CHEVROLET PICKUP	P	2013-01-01	2016-12-31
2010 CHEVROLET TRUCK	P	2013-01-01	2016-12-31

**Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h**

(e) Gross sales price	Depreciation allowed (f) (or allowable)	Cost or other basis (g) plus expense of sale	Gain or (loss) (h) (e) plus (f) minus (g)
150,911		158,483	-7,572
1,055,413		532,754	522,659
211,325		120,432	90,893
29,131		50,000	-20,869
36,801		150,000	-113,199
	2,000	2,000	
	13,900	13,900	
	39,258	39,258	
	38,300	38,300	
	30,902	35,317	-4,415

**Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l**

**Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d**

List and describe the kind(s) of property sold (e.g., real estate, (a) 2-story brick warehouse, or common stock, 200 shs MLC Co.)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo, day, yr)	(d) Date sold (mo, day, yr)
2014 SILVER FORD PICKUP	P	2015-01-19	2016-10-18

**Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h**

(e) Gross sales price	Depreciation allowed (f) (or allowable)	Cost or other basis (g) plus expense of sale	Gain or (loss) (h) (e) plus (f) minus (g)
24,000	7,932	39,655	-7,723

**Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l**

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	Adjusted basis (j) as of 12/31/69	Excess of col (i) (k) over col (j), if any	
			-7,723

## Form 990PF Part VIII Line 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, (e) other allowances
Robert J Potts P O BOX 177 MARFA, TX 79843	Pres/CEO 40 00	175,000		24,688
Clinton W Josey Jr 6060 N Central Expy 560 Dallas, TX 75206	Chairman/VP 40 00	0		
CASEY WADE P O BOX 177 MARFA, TX 79843	Vice President 40 00	67,000		33,698
JERRY ADDISON P O BOX 629 BOWIE, TX 76230	Director 1 00	0		
Walt Davis 262 SR 70E Calera, OK 74730	Director 1 00	0		
MELISSA BOOKHOUT 4528 COUNTY ROAD 398 DECATUR, TX 76234	SEC/TREAS 35 00	73,000		24,816
Leslie C Rauscher 6227 Malcolm Drive Dallas, TX 75214	Director 1 00	0		
Kathy Smyth 7630 Riverpoint Drive Houston, TX 77063	V/ChairmAn/VP 1 00	0		
Laura L Whiting 5005 LBJ Freeway 2200 Dallas, TX 75244	Director 1 00	0		
DR RICHARD TEAGUE BOX 1658 VERNON, TX 76385	ADVISORY BOARD 1 00	0		
DR BONNIE WARNOCK RAS CENTER BOX C-16 ALPINE, TX 79832	ADVISORY BOARD 1 00	0		
SAM MONTOYA TWO SANDIA PLAZA BERNALILLO, NM 87004	ADVISORY BOARD 1 00	0		
HUGH ALJOE 2510 SAM NOBLE PKWY ARDMORE, OK 73401	V/CHAIRMAN 1 00	0		
DR LISA BELLWS 8 QUAIL RUN GAINESVILLE, TX 76240	ADVISORY BOARD 1 00	0		

**Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	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
Name and address (home or business)				
<b>a Paid during the year</b>				
CONNEMARA CONSERVANCY FOUNDATION 1314 W MCDERMOTT ALLEN, TX 75013	NONE	PUB CHAR	2015 CHALLENGE GRANT	7,640
HOLISTIC MANAGEMENT INTERNATIONAL 5941 JEFFERSON ST NE SUITE B ALBUQUERQUE, NM 87109	NONE	PUB CHAR	AGRICULTURAL RESEARCH	25,000
PEOPLE AND CARNIVORES POB 6733 BOZEMAN, MT 59771	NONE	PUB CHAR	2016 GRANT	10,000
NUECES RIVER AUTHORITY P O BOX 349 UVALDE, TX 78802	NONE	PUB CHAR	COLLEGE MATERIALS PREP	5,000
NORTH CENTRAL TEXAS COLLEGE 1525 W CALIFORNIA GAINESVILLE, TX 76240	NONE	PUB UNIVE	ENVIRONMENT & AGR STUDIES	82,125
<b>Total . . . . .</b>				359,765
<b>3a</b>				

**Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	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
Name and address (home or business)				
<b>a Paid during the year</b>				
SUL ROSS STATE UNIVERSITY P O BOX C-16 ALPINE, TX 79832	NONE	PUB UNIVE	RANCH MANAGEMENT PROGRAM	50,000
SUL ROSS SUPPORT FOUNDATION E HWY 90 ALPINE, TX 79830	NONE	PUB UNIVE	RANCH MANAGMENT ENDOWMENT	150,000
AUDUBON TEXAS 2904 SWISS AVENUE DALLAS, TX 75204	NONE	PUB CHAR	2016 GRANT - CONSERVATION	10,000
KIDS ON THE LAND 9460 EAST FM 1606 HERMLEIGH, TX 79526	NONE	PUB CHAR	ENVIRONMENTAL PROGRAM	20,000
<b>Total . . . . .</b>				359,765
<b>3a</b>				

**Form 990PF Part XVI-A Line 11 - Other revenue:**

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		<b>(e)</b> Related or exempt function income (See the instructions )
	<b>(a)</b> Business code	<b>(b)</b> Amount	<b>(c)</b> Exclusion code	<b>(d)</b> Amount	
<b>11 Other revenue</b>					
<b>a HUNTING LEASE</b>			1	23,000	
<b>b LEASE/WATER INCOME</b>			1	49,357	
<b>c MISCELLANEOUS INCOME</b>			1	67,644	
<b>d PARTNERSHIP INCOME/LOSS</b>			1		
<b>e RANCH REVENUE - EXHIBIT A</b>					171,916
<b>f ROYALTY PAYMENT</b>			1	607,830	

## TY 2016 Accounting Fees Schedule

**Name:** The Dixon Water Foundation

**EIN:** 75-2521176

**Software ID:** 16000303

**Software Version:** 2016v3.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES [OFFICE]	9,272	0	0	0
ACCOUNTING FEES [OFFICE] @ 50%		4,636	0	4,636

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

## TY 2016 Depreciation Schedule

**Name:** The Dixon Water Foundation

**EIN:** 75-2521176

**Software ID:** 16000303

**Software Version:** 2016v3.0

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
BUILDINGS	2005-09-01	9,247	5,329	150DB	4 46 %	413			
PONDS	2005-09-01	6,327	2,844	SL	5 00 %	316			
WATER WELL	2005-09-01	9,425	6,920	150DB	5 90 %	556			
BARN	2006-06-30	22,281	12,052	150DB	4 46 %	994			
SEEDING HERITAGE CENTER	2006-11-30	7,482	3,366	SL	5 00 %	374			
PLANNING - ARCHITECTS	2006-11-30	30,012	8,728	SL	3 64 %	1,092			
PONDS	2006-11-09	1,167	464	SL	20 0000	58			
WATER WELLS/DRAINAGE	2006-07-01	8,633	4,582	SL	5 00 %	432			
PONDS	2005-12-31	7,132	3,213	SL	5 00 %	357			
POUND	2006-03-20	245	108	SL	5 00 %	12			
IMPROVEMENTS	2006-08-31	8,914	4,656	150DB	4 46 %	398			
FENCES	2006-09-19	850	445	150DB	4 46 %	38			
FENCES	2006-07-01	7,850	4,099	150DB	4 46 %	350			
PONDS	2007-02-12	1,256	535	SL	5 00 %	63			
WATER WELL	2007-03-22	10,932	6,738	150DB	5 90 %	645			
HANGARS	2007-10-30	16,068	3,382	SL	2 56 %	412			
IMPROVEMENTS	2007-10-10	22,946	13,004	SL	6 67 %	1,530			
NEW BARN	2007-10-30	14,840	6,307	SL	5 00 %	742			
CONSERVATION DEVELOPMENT	2007-01-23	4,419	2,507	SL	6 67 %	295			
GREENHOUSE	2007-03-13	7,002	2,975	SL	5 00 %	350			

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
RANCH IMPROVEMENTS	2007-02-22	1,610	910	SL	6 67 %	107			
HOUSE	2008-06-30	234,235	64,233	SL	3 64 %	8,517			
GRAVEL ROAD	2008-01-30	5,200	2,747	SL	15 0000	347			
WATER WELL	2008-02-27	7,050	3,682	SL	15 0000	470			
CATTLE GUARD	2008-03-31	1,566	806	SL	15 0000	104			
T-POSTS	2008-05-01	720	368	SL	15 0000	48			
RANCH HOUSE	2008-11-30	7,326	1,895	SL	3 64 %	266			
GRAZING ENCLOSURE	2009-08-04	700	301	SL	15 0000	47			
RANCH HOUSE	2009-06-30	295,147	70,206	SL	3 64 %	10,732			
FENCING	2009-06-30	171,880	74,508	SL	6 67 %	11,464			
WATER TANKS & STORAGE	2009-06-30	275,411	119,391	SL	6 67 %	18,370			
FENCING	2010-06-30	57,374	21,046	SL	6 67 %	3,827			
RANCH HOUSE	2010-06-30	2,929	588	SL	3 64 %	106			
IMPROVEMENTS	2011-09-30	21,578	6,475	SL	6 67 %	1,439			
IMPROVEMENTS	2011-06-30	256,660	77,023	SL	6 67 %	17,119			
COLUMBIA STREET HOUSE	2011-01-10	248,280	44,761	SL	3 64 %	9,027			
ROBERT WHITE WELL SERVICE	2011-10-14	4,971	1,407	SL	15 0000	331			
IMPROVEMENTS	2012-06-30	9,290	2,169	SL	6 67 %	620			
IMPROVEMENTS	2012-06-30	3,104	724	SL	6 67 %	207			
IMPROVEMENTS	2012-06-30	8,890	2,075	SL	6 67 %	593			

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
PAVILLION COSTS 2012	2012-09-30	104,438	8,816	SL	2 56 %	2,678			
IMPROVEMENTS	2012-06-30	49,592	11,575	SL	6 67 %	3,308			
2012 FORD F35A TRUCK	2012-02-16	40,531	32,424	SL	20 00 %	8,106			
2010 CHEVROLET TRUCK	2013-01-01	35,317	25,857	SL	7 0000	5,045			
2010 POLARIS [MULE]	2013-01-01	13,184	10,123	SL	7 0000	1,883			
MOWER	2013-01-01	7,097	3,169	SL	7 0000	1,014			
RISING PLATE METER	2013-01-01	778	333	SL	7 0000	111			
PORTABLE CORRALS	2013-01-01	9,439	4,044	SL	7 0000	1,348			
USED PATIO FURNITURE	2013-03-20	1,300	465	SL	14 28 %	186			
KUBOTA TRACTOR - MIMMS	2013-03-05	28,000	10,001	SL	14 28 %	3,998			
KUBOTA TRACTOR LOADER	2013-04-08	17,000	6,072	SL	14 28 %	2,428			
IMPROVEMENTS 2013	2013-06-30	16,265	2,712	SL	6 67 %	1,085			
IMPROVEMENTS 2013	2013-06-30	264,759	44,134	SL	6 67 %	17,659			
IMPROVEMENTS 2013	2013-06-30	32,342	5,391	SL	6 67 %	2,157			
PAVILLION COSTS 2013	2013-06-30	1,186,082	77,320	SL	2 56 %	30,411			
BOB'S CUSTOM HOMES	2013-11-05	55,000	4,250	SL	3 64 %	2,000			
IMPROVEMENTS 2013	2013-06-30	96,793	16,135	SL	6 67 %	6,456			
COLUMBIA STREET HOUSE	2013-06-30	3,568	1,275	SL	14 28 %	510			
F150 FORD TRUCK	2013-03-14	29,499	14,750	SL	20 00 %	5,900			
IMPROVEMENTS 2014	2014-06-30	13,824	1,383	SL	15 0000	922			

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
2014 FORD PICKUP	2014-02-10	42,541	12,762	SL	20 00 %	8,508			
IMPROVEMENTS 2014	2014-06-30	99,470	9,947	SL	15 0000	6,631			
IMPROVEMENTS 2014	2014-06-30	18,480	1,848	SL	15 0000	1,232			
PAVILLION COSTS 2014	2014-06-30	1,073,596	41,292	SL	39 0000	27,528			
IMPROVEMENTS 2014	2014-06-30	41,893	4,189	SL	15 0000	2,793			
RANCH HOUSE - IMPROVEMENT	2014-06-30	197,472	10,771	SL	27 5000	7,181			
IMPROVEMENTS 2014	2014-06-30	2,945	294	SL	15 0000	196			
1995 STOCK TRAILER	2015-08-17	5,300	378	SL	14 29 %	757			
JOHN DEERE TRACTOR	2015-04-03	35,762	2,553	SL	14 29 %	5,110			
CLEAR BRUSH AT BEAR CREEK	2015-04-10	6,000	428	SL	14 29 %	857			
BC HANGER A/C REPAIR	2015-07-13	1,348	96	SL	14 29 %	193			
2014 SILVER FORD PICKUP	2015-01-19	39,655	3,966	SL	20 00 %	3,966			
ELECTRICAL REPAIRS	2015-08-17	1,113	13	SL	27 5000	40			
2015 ADDITIONS-KENNEDY	2015-06-30	4,694	335	SL	14 29 %	671			
2015 ADDITIONS-LEO	2015-06-30	23,522	1,679	SL	14 29 %	3,361			
2015 ADDITIONS-PAVILLION	2015-06-30	6,098	435	SL	14 29 %	871			
2015 ADDITIONS-MIMMS	2015-06-30	7,983	570	SL	14 29 %	1,141			
RANCH HOUSE IMPROVEMENTS	2015-06-30	16,365	322	SL	3 64 %	595			
FENCING - H RICHARDSON	2015-07-20	16,881	1,205	SL	14 29 %	2,412			
DOZIER WORK	2015-08-27	1,100	79	SL	14 29 %	157			

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
WELL SERVICE	2016-08-09	967		SL		7 0000	58		
CATTLE GUARD	2016-10-03	1,000		SL		3 0000	83		
2016 ADDITIONS	2016-06-30	19,806		SL		7 0000	1,415		
GATE	2016-02-01	1,263		SL		15 0000	77		
2016 IMPROVEMENTS-HEARD	2016-06-30	49,666		SL		15 0000	1,656		
2016 IMPROVEMENTS	2016-06-30	6,427		SL		7 0000	459		

## TY 2016 Investments Corporate Stock Schedule

**Name:** The Dixon Water Foundation

**EIN:** 75-2521176

**Software ID:** 16000303

**Software Version:** 2016v3.0

<b>Name of Stock</b>	<b>End of Year Book Value</b>	<b>End of Year Fair Market Value</b>
CHARLES SCHWAB & COMPANY	3,381,835	3,381,835
BAYOU BEND PETROLEUM	16,500	16,500
LOESCH & CRANN - 158 SHARES	7,109	7,109

**TY 2016 Land, Etc.  
Schedule****Name:** The Dixon Water Foundation**EIN:** 75-2521176**Software ID:** 16000303**Software Version:** 2016v3.0

<b>Category / Item</b>	<b>Cost / Other Basis</b>	<b>Accumulated Depreciation</b>	<b>Book Value</b>	<b>End of Year Fair Market Value</b>
Auto./Transportation Equip.	113,922	64,731	49,191	
Furniture and Fixtures	134,119	125,260	8,859	
Machinery and Equipment	206,227	193,439	12,788	
Buildings	3,074,997	429,221	2,645,776	
Improvements	2,153,609	818,845	1,334,764	
Land	35,848,314		35,848,314	
Miscellaneous	5,489,665	30,861	5,458,804	45,358,496

## TY 2016 Legal Fees Schedule

**Name:** The Dixon Water Foundation

**EIN:** 75-2521176

**Software ID:** 16000303

**Software Version:** 2016v3.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LEGAL FEES [OFFICE]	41,328	0	0	0
LEGAL FEES [OFFICE] @ 50%		20,664	0	20,664

## TY 2016 Mortgages and Notes Payable Schedule

**Name:** The Dixon Water Foundation

**EIN:** 75-2521176

**Software ID:** 16000303

**Software Version:** 2016v3.0

**Total Mortgage Amount:** 3,394,977

<b>Item No.</b>	1
<b>Lender's Name</b>	MUENSTER STATE BANK
<b>Lender's Title</b>	
<b>Relationship to Insider</b>	
<b>Original Amount of Loan</b>	
<b>Balance Due</b>	3,394,977
<b>Date of Note</b>	
<b>Maturity Date</b>	
<b>Repayment Terms</b>	
<b>Interest Rate</b>	
<b>Security Provided by Borrower</b>	
<b>Purpose of Loan</b>	
<b>Description of Lender Consideration</b>	
<b>Consideration FMV</b>	

## TY 2016 Other Expenses Schedule

**Name:** The Dixon Water Foundation**EIN:** 75-2521176**Software ID:** 16000303**Software Version:** 2016v3.0**Other Expenses Schedule**

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
CONSULTING [OVERHEAD]	2,011			2,011
CONTRIBUTIONS [OVERHEAD]	1,500			1,500
DUES AND SUBSCRIPTIONS [OVERHEAD]	2,777			2,777
EDUCATIONAL SUPPLIES [OUTREACH]	5,000			5,000
EVENTS/SPONSORSHIPS [OUTREACH]	19,707			19,707
FUEL [OVERHEAD]	4,162			4,162
HEALTH BENEFITS [OVERHEAD]	32,901			32,901
INSURANCE - W/C [OVERHEAD]	2,779			2,779
INSURANCE [OFFICE]	95,042			
INSURANCE [OVERHEAD]	18,197			18,197

## Other Expenses Schedule

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
INTERNET [OFFICE]	2,668			
LABOR - PAYROLL TAXES [OVERHEAD]	5,126			5,126
LABOR - SALARIES [OVERHEAD]	67,000			67,000
LICENSE AND PERMITS [OVERHEAD]	1,433			1,433
MEALS & ENTERTAINMENT [OFFICE]	11,729			
MEALS & ENTERTAINMENT [OVERHEAD]	2,321			2,321
MISCELLANEOUS [OFFICE]	155			
MISCELLANEOUS [OVERHEAD]	2,014			2,014
OFFICE EXPENSE [OFFICE]	834			
OFFICE SUPPLIES [OFFICE]	1,362			

## Other Expenses Schedule

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
OFFICE SUPPLIES [OVERHEAD]	576			576
PARKING [OFFICE]	966			
PAYROLL CONTRACTOR PAYMENTS [OFFICE]	720			
POSTAGE AND DELIVERY [OFFICE]	596			
RANCH COSTS - EXHIBIT A	380,244			380,244
Rental Expenses	10,340	5,170		5,170
REPAIRS [OUTREACH]	28,342			28,342
RESEARCH [OUTREACH]	32,134			32,134
ROUNDING	-1			
TELEPHONE [OFFICE]	8,123			

## Other Expenses Schedule

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
TELEPHONE [OVERHEAD]	1,713			1,713
TRACTOR EXPENSES [OVERHEAD]	4,026			4,026
TRAINING COURSES [OFFICE]	1,655			
TRANSFER TO PEAKS & VALLEYS	1,952			1,952
TRAVEL [OVERHEAD]	3,446			3,446
UTILITIES [OFFICE]	8,274			
UTILITIES [OVERHEAD]	3,844			3,844

## TY 2016 Other Income Schedule

**Name:** The Dixon Water Foundation

**EIN:** 75-2521176

**Software ID:** 16000303

**Software Version:** 2016v3.0

### Other Income Schedule

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
HUNTING LEASE	23,000		
LEASE/WATER INCOME	49,357		
MISCELLANEOUS INCOME	67,644		
RANCH REVENUE - EXHIBIT A	171,916		
ROYALTY PAYMENT	607,830		

## TY 2016 Other Professional Fees Schedule

**Name:** The Dixon Water Foundation

**EIN:** 75-2521176

**Software ID:** 16000303

**Software Version:** 2016v3.0

<b>Category</b>	<b>Amount</b>	<b>Net Investment Income</b>	<b>Adjusted Net Income</b>	<b>Disbursements for Charitable Purposes</b>
BROKERAGE FEES [OFFICE]	21,484	21,484	0	0
CONSULTING FEES [OFFICE]	5,925	0	0	0

## TY 2016 Taxes Schedule

**Name:** The Dixon Water Foundation**EIN:** 75-2521176**Software ID:** 16000303**Software Version:** 2016v3.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FEDERAL INCOME	18,881			
PAYROLL TAXES - M BOOKHOUT @ 4%				2,920
PAYROLL TAXES [OFFICE]	15,469			
PROPERTY TAXES	44,710			44,710

The Dixon Water Foundation  
 Ranch Operations  
 2016

	Mimms	Bear Creek	Leo/ Pittman	Unallocated	Total
<b>Ranch Revenue</b>					
Sales - Cattle	0	0	0	131,011	131,011
Sales - Cull females & Heifers	0	0	0	13,658	13,658
Sales - Horse	0	0	0	350	350
Sales - Sheep	0	0	0	25,497	25,497
Sales - Sheep dog	0	0	0	1,400	1,400
Form 990-PF, Part I, Line 11	0	0	0	171,916	171,916
<b>Ranch Costs</b>					
Breeding expense	0	0	551	0	551
Dumpster	0	1,517	1,991	0	3,508
Electric/Utilities	3,085	3,439	7,454	0	13,978
Feed - dogs	0	667	4,655	0	5,322
Feed - horses	1,038	90	1,145	0	2,273
Feed/Hay - cattle	19,421	70	5,180	0	24,671
Fuel	2,683	8,141	5,391	0	16,215
Hay - horses	1,658	0	980	0	2,638
Health benefits	7,200	24,571	7,200	0	38,971
Insurance - W/C	2,779	5,558	2,779	0	11,116
Labor - contract	150	0	1,050	0	1,200
Labor - payroll taxes	2,925	5,844	5,217	0	13,986
Labor - salaries	31,000	70,000	61,000	0	162,000
Land lease	0	(744)	0	0	(744)
Land lease - supplies	0	0	0	0	0
Livestock purchases	0	0	0	30,648	30,648
Mineral - cattle	0	0	5,079	0	5,079
Rent	0	0	63	0	63
Repairs	2,911	394	6,332	0	9,637
Supplies	3,388	177	7,649	0	11,214
Truck/trailer expense	2,482	2,889	11,519	0	16,890
Trucking	1,520	0	0	0	1,520
Veterinarian - cattle	3,126	232	2,361	0	5,719
Veterinarian - dogs	0	0	211	0	211
Veterinarian - horses	1,331	0	1,486	0	2,817
Veterinarian - sheep	0	0	761	0	761
Form 990-PF, Part I, Line 23	86,697	122,845	140,054	30,648	380,244