

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

Name of foundation THE L & M CHARITABLE FOUNDATION INC		A Employer identification number 75-2874187	
Number and street (or P O box number if mail is not delivered to street address) 550 WEST TEXAS SUITE 945		Room/suite	B Telephone number (see instructions) (432) 683-7700
City or town, state or province, country, and ZIP or foreign postal code MIDLAND, TX 79701		C If exemption application is pending, check here ☐	
G Check all that apply ☐ Initial return ☐ Final return ☐ Address change ☐ Initial return of a former public charity ☐ Amended return ☐ Name change		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐	
H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐	
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 7,437,426	J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) (Part I, column (d) must be on cash basis)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐	

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (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 Check ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	15,308	15,308		
	4 Dividends and interest from securities	73,241	73,241		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	-210,276			
	b Gross sales price for all assets on line 6a	1,450,657			
	7 Capital gain net income (from Part IV, line 2)				
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
Operating and Administrative Expenses	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)	 762	762		
	12 Total. Add lines 1 through 11	-120,965	89,311		
	13 Compensation of officers, directors, trustees, etc				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)	 5,725			5,725
	c Other professional fees (attach schedule)	 21,733	21,733		
	17 Interest	20			
	18 Taxes (attach schedule) (see instructions)	 7,532	1,589		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	 4,077	789		
	24 Total operating and administrative expenses. Add lines 13 through 23	39,087	24,111		5,725
	25 Contributions, gifts, grants paid	388,500			388,500
	26 Total expenses and disbursements. Add lines 24 and 25	427,587	24,111		394,225
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-548,552			
	b Net investment income (if negative, enter -0-)		65,200		
c Adjusted net income(if negative, enter -0-)					

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions.)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1 Cash—non-interest-bearing					
	2 Savings and temporary cash investments	723,481	696,986	696,986		
	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					
	9 Prepaid expenses and deferred charges	1,202	1,202	1,202		
	10a Investments—U S and state government obligations (attach schedule)					
	b Investments—corporate stock (attach schedule)					
	c Investments—corporate bonds (attach schedule)	1,180,245	728,233	708,863		
	11 Investments—land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____					
	12 Investments—mortgage loans					
	13 Investments—other (attach schedule)	5,507,804	5,553,618	6,030,375		
	14 Land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____					
15 Other assets (describe ▶ _____)						
16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	7,412,732	6,980,039	7,437,426			
Liabilities	17 Accounts payable and accrued expenses					
	18 Grants payable					
	19 Deferred revenue					
	20 Loans from officers, directors, trustees, and other disqualified persons					
	21 Mortgages and other notes payable (attach schedule)					
	22 Other liabilities (describe ▶ _____)					
	23 Total liabilities (add lines 17 through 22)		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 ▶ ☒ and complete lines 27 through 31.					
	27 Capital stock, trust principal, or current funds	10,000	10,000			
	28 Paid-in or capital surplus, or land, bldg , and equipment fund					
	29 Retained earnings, accumulated income, endowment, or other funds	7,402,732	6,970,039			
30 Total net assets or fund balances (see instructions)	7,412,732	6,980,039				
31 Total liabilities and net assets/fund balances (see instructions) .	7,412,732	6,980,039				

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	7,412,732
2 Enter amount from Part I, line 27a	2	-548,552
3 Other increases not included in line 2 (itemize) ▶ _____	3	128,331
4 Add lines 1, 2, and 3	4	6,992,511
5 Decreases not included in line 2 (itemize) ▶ _____	5	12,472
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 .	6	6,980,039

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			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a 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	-210,276
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	-34,390

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 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			
2014			
2013			
2012			
2011			

2 Total of line 1, column (d)	2	
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	
4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	
5 Multiply line 4 by line 3	5	
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	
7 Add lines 5 and 6	7	
8 Enter qualifying distributions from Part XII, line 4	8	

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b	1	1,304
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	
3	Add lines 1 and 2.	3	1,304
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	1,304
6	Credits/Payments		
a	2016 estimated tax payments and 2015 overpayment credited to 2016	6a	
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	
8	Enter any penalty for underpayment of estimated tax. Check here ☒ if Form 2220 is attached	8	39
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed ▶	9	1,343
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid ▶	10	
11	Enter the amount of line 10 to be Credited to 2017 estimated tax ▶ Refunded ▶	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a	No
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for definition)? <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>	1b	No
c Did the foundation file Form 1120-POL for this year?	1c	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? <i>If "Yes," attach a detailed description of the activities</i>	2	No
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	No
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	No
b If "Yes," has it filed a tax return on Form 990-T for this year?	4b	No
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>	5	No
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	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	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	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 RICHARD T MCMILLAN Telephone no (432) 683-7700			

Located at **550 WEST TEXAS SUITE 945 MIDLAND TX** ZIP+4 **797014233**

15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —Check here ☐ and enter the amount of tax-exempt interest received or accrued during the year 15			
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	No

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.

1a	During the year did the foundation (either directly or indirectly)		Yes	No
	(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)? ☐ Organizations relying on a current notice regarding disaster assistance check here. ☐	1b		No
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
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? ☐ 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		No
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20____, 20____, 20____, 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 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
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
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

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

5a During the year did the foundation pay or incur any amount to (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No (4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions). ☐ Yes ☒ No (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? ☐ Yes ☒ No Organizations relying on a current notice regarding disaster assistance check here. ☐ Yes ☒ 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? ☐ Yes ☒ No If "Yes," attach the statement required by Regulations section 53.4945–5(d)	5b	No
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No If "Yes" to 6b, file Form 8870	6b	No
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No	7b	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	Expense account, (e) other allowances
RICHARD T MCMILLAN 500 W TEXAS SUITE 945 MIDLAND, TX 79701	Pres/DIR 0 00	0		
JAN LATE MCMILLAN 500 W TEXAS SUITE 945 MIDLAND, TX 79701	Director 0 00	0		
KIRSTIN E MCMILLAN GILLESPIE 500 W TEXAS SUITE 945 MIDLAND, TX 79701	Director 0 00	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	Title, and average hours per week (b) devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	Expense account, (e) other allowances
NONE				
Total number of other employees paid over \$50,000.				▶

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.

1	Expenses
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	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3 ►	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities.	1a	6,564,418
b	Average of monthly cash balances.	1b	973,257
c	Fair market value of all other assets (see instructions).	1c	1,202
d	Total (add lines 1a, b, and c).	1d	7,538,877
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	7,538,877
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	113,083
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4.	5	7,425,794
6	Minimum investment return. Enter 5% of line 5.	6	371,290

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	371,290
2a	Tax on investment income for 2016 from Part VI, line 5.	2a	1,304
b	Income tax for 2016 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	1,304
3	Distributable amount before adjustments. Subtract line 2c from line 1.	3	369,986
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	369,986
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	369,986

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	394,225
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	394,225
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions).	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	394,225

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 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				369,986
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only.			373,437	
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2016				
a From 2011.				
b From 2012.				
c From 2013.				
d From 2014.				
e From 2015.				
f Total of lines 3a through e.				
4 Qualifying distributions for 2016 from Part XII, line 4 ▶ \$ 394,225				
a Applied to 2015, but not more than line 2a			373,437	
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.				20,788
e Remaining amount distributed out of corpus				
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:				
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				349,198
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).				
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9				
a Excess from 2012.				
b Excess from 2013.				
c Excess from 2014.				
d Excess from 2015.				
e Excess from 2016.				

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 ☐ 4942(j)(3) or ☐ 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	Tax year	Prior 3 years			(e) Total
	(a) 2016	(b) 2015	(c) 2014	(d) 2013	
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 email address of the person to whom applications should be addressed	
b The form in which applications should be submitted and information and materials they should include	
c Any submission deadlines	
d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors	

Part XV **Supplementary Information** (continued)**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)				
a <i>Paid during the year</i> See Additional Data Table				
Total			3a	388,500
b <i>Approved for future payment</i>				
Total			3b	

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				
		14	15,308	
4 Dividends and interest from securities. . . .				
		14	73,241	
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				
				-210,276
9 Net income or (loss) from special events				
10 Gross profit or (loss) from sales of inventory				
11 Other revenue				
a NI FROM PASS-THROUGHS				
			762	
b _____				
c _____				
d _____				
e _____				
12 Subtotal Add columns (b), (d), and (e). .				
			89,311	-210,276
13 Total. Add line 12, columns (b), (d), and (e).				
		13		-120,965

(See worksheet in line 13 instructions to verify calculations)

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

[illegible]

Part XVII

- | | Yes | No |
|-------|-----|----|
| 1a(1) | | No |
| 1a(2) | | No |
| 1b(1) | | No |
| 1b(2) | | No |
| 1b(3) | | No |
| 1b(4) | | No |
| 1b(5) | | No |
| 1b(6) | | No |
| 1c | | No |

[illegible]

- 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

Print/Type preparer's name G Todd Bright	Preparer's Signature	Date	Check if self-employed ▶ ☐	PTIN P01251013
Firm's name ▶ BRIGHT & BRIGHT LLP				Firm's EIN ▶
Firm's address ▶ 5944 LUTHER LN STE 600 DALLAS, TX 752255918				Phone no (214) 363-0211

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)
35 951 DELAWARE EMERGING MARKETS FUND (INTS CL)	P	2015-12-23	2016-12-06
11,863 608 DELAWARE EMERGING MARKETS FUND (INTS CL)	P	2014-12-31	2016-12-06
100,000 DU PONTE IDENEMOURS & CO	P	2015-07-21	2016-12-15
17,321 016 IVA WORLDWIDE FUND CLASS I	P	2012-12-31	2016-12-06
5,500 KAYNE ANDERSON MPL I NVT CO	P	2012-12-31	2016-12-15
3,961 268 PIMCO EMERGING MARKETS CORP BD FD INST C	P	2012-03-30	2016-06-10
100,000 UNITED TECHNOLOGIES CORP	P	2014-06-16	2016-12-01
2,000 KAYNE ANDERSON MLP	P	2012-12-31	2016-12-14
3,784 KAYNE ANDERSON MLP	P	2012-12-31	2016-12-15
4,649 381 NUVEEN PREFERRED SECURITIES FUND CL I	P	2012-12-31	2016-12-13

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

(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)
525		451	74
173,327		205,228	-31,901
100,000		105,847	-5,847
300,000		288,949	11,051
105,170		150,870	-45,700
39,806		44,902	-5,096
104,372		113,859	-9,487
38,179		55,760	-17,581
72,357		105,497	-33,140
77,877		200,004	-122,127

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			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
			74
			-31,901
			-5,847
			11,051
			-45,700
			-5,096
			-9,487
			-17,581
			-33,140
			-122,127

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)
100,000 OCCIDENTAL PETROLEUM CORP	P		2016-06-01
5,032 056 PIMCO EMERGING MARKETS CORP BD FD INST C	P	2012-03-30	2016-06-10
100,000 WALMART STORES INC	P		2016-04-15
100,000 CATERPILLAR INC DEL	P		2016-08-15
CAPITAL GAIN DISTRIBUTIONS	P	2014-12-31	2016-12-31

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

(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)
100,000		111,326	-11,326
50,567		55,102	-4,535
100,000		106,744	-6,744
100,000		116,394	-16,394
88,477			88,477

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			(I) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
			-11,326
			-4,535
			-6,744
			-16,394
			88,477

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)				
a <i>Paid during the year</i>				
MANOR PARK 2208 NORTH LOOP 250 WEST MIDLAND, TX 79707	NONE	N/A	ALZHEIMER'S UNIT	10,000
HIGH SKY CHILDREN'S RANCH 8701 WEST C R 60 MIDLAND, TX 79706	NONE	N/A	ENDOWMENT FUND	10,000
MIDLAND MONTESSORI HOUSE 1011 AUSTIN STREET MIDLAND, TX 79703	NONE	N/A	GENERAL OPERATING FUND	10,000
HILLCREST SCHOOL 3520 NORTH A STREET BLDG C MIDLAND, TX 79705	NONE	N/A	GENERAL OPERATING FUND	20,000
CASA DE AMIGOS 1101 EAST GARDEN LANE MIDLAND, TX 79701	NONE	N/A	YOUTH EDUCATION PROGRAM	20,000
Total ► 3a				388,500

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)				
a <i>Paid during the year</i>				
PERMIAN BASIN AREA FOUNDATION 200 NORTH LORAIN STREET MIDLAND, TX 79701	NONE	N/A	GENERAL ENDOWMENT	20,000
HOSPICE MIDLAND PO BOX 2621 MIDLAND, TX 79701	NONE	N/A	GENERAL ENDOWMENT	5,000
BALLROOM MARFA P O BOX 1681 MARFA, TX 79843	NONE	N/A	GENERAL OPERATING FUND	2,500
JOHN AUSTIN CHELEY FOUNDATION PO BOX 27179 DENVER, CO 80227	NONE	N/A	GENERAL SUPPORT CONTRIBUTION	10,000
HUMANE SOCIETY OF LEFLORE CNY 601 IONE GREENWOOD, MS 38930	NONE	N/A	GENERAL SUPPORT CONTRIBUTION	500
Total ► 3a				388,500

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)				
a <i>Paid during the year</i>				
LEBONHEUR CHILDREN'S MED CTR 50 NORTH DUNLAP MEMPHIS, TN 38103	NONE	N/A	GENERAL SUPPORT CONTRIBUTION - REHAB SERVICES	3,000
UNIV OF MISSISSIPPI FOUNDATION PO BOX 249 UNIVERSITY, MS 38766	NONE	N/A	DEPARTMENT OF COMMUNICATION DISORDERS	1,000
UNIV OF THE SOUTH 735 UNIVERSITY AVENUE SEWANEE, TN 37383	NONE	N/A	GENERAL SUPPORT CONTRIBUTION	3,000
CHURCH OF THE NATIVITY 400 HOWARD STREET GREENWOOD, MS 38930	NONE	N/A	GENERAL SUPPORT CONTRIBUTION	16,500
FIRST PRESBYTERIAN 301 MAIN STREET GREENWOOD, MS 38935	NONE	N/A	KINDERGARTEN PROGRAM	1,000
Total ▶ 3a				388,500

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)				
a <i>Paid during the year</i>				
TEXAS PARKS WILDLIFE 4200 SMITH SCHOOL ROAD AUSTIN, TX 78744	NONE	N/A	PRIORITY LAND CONSERVATION ACQUISITIONS PROGRAMS	5,000
FORT WORTH MUSEUM OF SCIENCE HISTOR 1600 GENDY STREET FORT WORTH, TX 76107	NONE	N/A	GENERAL SUPPORT CONTRIBUTION	7,500
UT ELEMENTARY SCHOOL 2200 EAST SIXTH STREET AUSTIN, TX 78702	NONE	N/A	GENERAL SUPPORT CONTRIBUTION	20,000
NOLS SCHOLARSHIPS 254 LINCOLN STREET LANDER, WY 82520	NONE	N/A	GENERAL SUPPORT CONTRIBUTION	5,000
MIDLAND COLLEGE FOUNDATION 3600 NORTH GARFIELD MIDLAND, TX 79705	NONE	N/A	EARLY COLLEGE HIGH SCHOOL PROGRAM	50,000
Total 				388,500
3a				

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)				
a <i>Paid during the year</i>				
SUFFIELD ACADEMY PO BOX 999 SUFFIELD, CT 06078	NONE	N/A	GENERAL SUPPORT CONTRIBUTION	1,000
SEED EFFECT PO BOX 141223 DALLAS, TX 75214	NONE	N/A	GENERAL SUPPORT CONTRIBUTION	25,000
DALLAS ARBORETUM 8525 GARLAND ROAD DALLAS, TX 75218	NONE	N/A	ANNUAL FUND	35,000
PILLOW ACADEMY 69601 HIGHWAY 82 WEST GREENWOOD, MS 38930	NONE	N/A	GENERAL SUPPORT CONTRIBUTION	4,500
COOK CHILDREN'S HOSPITAL 801 7TH AVENUE FORT WORTH, TX 76104	NONE	N/A	GENERAL SUPPORT CONTRIBUTION	7,500
Total ► 3a				388,500

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)				
a <i>Paid during the year</i>				
FORT WORTH ZOO 1989 COLONIAL PARKWAY FORT WORTH, TX 76110	NONE	N/A	GENERAL SUPPORT CONTRIBUTION	10,000
UNIV OF TEXAS LAW SCHOOL FOUNDATION 727 EAST DEAN KEETON STREET AUSTIN, TX 78705	NONE	N/A	ANNUAL FUND	5,000
BOYS AND GIRLS CLUB OF LEFLORE COUN 1740 CARROLTON AVENUE GREENWOOD, MS 38930	NONE	N/A	GENERAL SUPPORT CONTRIBUTION	1,000
TEXAS STATE HISTORY MUSEUM 1800 CONGRESS AVE AUSTIN, TX 78701	NONE	N/A	GENERAL FUND	5,000
MIDLAND MEMORIAL FOUNDATION 400 ROSALIND REDFERN GROVER PARKWAY MIDLAND, TX 79701	NONE	N/A	GENERAL FUND	10,000
Total 3a				388,500

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)				
a <i>Paid during the year</i>				
TRINITY SCHOOL 3500 W WADLEY AVE MIDLAND, TX 79707	NONE	N/A	GENERAL FUND	5,000
CAMP BRATTON GREEN 157 GRAY CENTER RD S CANTON, MS 39046	NONE	N/A	GENERAL FUND	1,000
ST JUDE CHILDRENS RESEARCH HOSPITAL 262 DANNY THOMAS PLACE MEMPHIS, TN 38105	NONE	N/A	GENERAL FUND	1,000
EARTHWORKS 1612 K ST NW SUITE 904 WASHINGTON, DC 20006	NONE	N/A	GENERAL FUND	1,000
NATIONAL RESOURCE DEFENSE COUNCIL 40 WEST 20TH STREET 11TH FLOOR NEW YORK, NY 10011	NONE	N/A	GENERAL FUND	18,000
Total 				388,500
3a				

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)				
a <i>Paid during the year</i>				
THE CANOLI FUND PO BOX 831444 SAN ANTONIO, TX 78283	NONE	N/A	GENERAL FUND	1,000
DAWSON SCHOOL 10455 DAWSON DRIVE LAFAYETTE, CO 80026	NONE	N/A	GENERAL FUND	35,000
NATL ASSOC OF JUNIOR AUXILIARY SCHO 845 S MAIN ST GREENVILLE, MS 38702	NONE	N/A	GENERAL FUND	1,000
UNITED WAY OF LEFLOR COUNTY 116 MAIN ST GREENWOOD, MS 38930	NONE	N/A	GENERAL FUND	1,500
Total 				388,500
3a				

TY 2016 Accounting Fees Schedule**Name:** THE L & M CHARITABLE FOUNDATION INC**EIN:** 75-2874187**Software ID:** 16000303**Software Version:** 2016v3.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
PREPARATION OF FORM 990-PF	5,725	0	0	5,725

TY 2016 Other Expenses Schedule**Name:** THE L & M CHARITABLE FOUNDATION INC**EIN:** 75-2874187**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
MISCELLANEOUS	789	789		
PENALTIES	3,288			

TY 2016 Other Income Schedule**Name:** THE L & M CHARITABLE FOUNDATION INC**EIN:** 75-2874187**Software ID:** 16000303**Software Version:** 2016v3.0**Other Income Schedule**

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
NI FROM PASS-THROUGHS	762	762	

TY 2016 Other Increases Schedule**Name:** THE L & M CHARITABLE FOUNDATION INC**EIN:** 75-2874187**Software ID:** 16000303**Software Version:** 2016v3.0

Description	Amount
NONDIVIDEND DISTRIBUTIONS	24,825

TY 2016 Other Professional Fees Schedule**Name:** THE L & M CHARITABLE FOUNDATION INC**EIN:** 75-2874187**Software ID:** 16000303**Software Version:** 2016v3.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
INVESTMENT FEES	21,733	21,733	0	0

TY 2016 Taxes Schedule**Name:** THE L & M CHARITABLE FOUNDATION INC**EIN:** 75-2874187**Software ID:** 16000303**Software Version:** 2016v3.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
EXCISE TAX ON 2015 NET INVESTMENT INCOME	5,943			
FOREIGN TAXES WITHHELD FROM DIVIDENDS	1,589	1,589		