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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

▶ Do not enter social security numbers on this form as it may be made public.

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

OMB No 1545-0052

**2016**

Open to Public Inspection

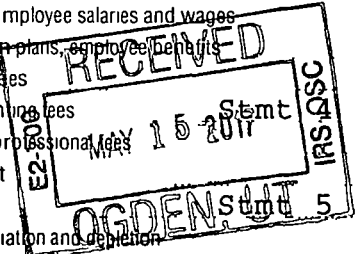
For calendar year 2016 or tax year beginning

, and ending

|  |  |  |
|--|--|--|
| Name of foundation<br><b>M &amp; A McCullough Foundation</b>   |  | A Employer identification number<br><b>75-6021589</b>  |
| Number and street (or P.O. box number if mail is not delivered to street address)<br><b>807 8th Street, 2nd Floor</b>  | Room/suite   | B Telephone number<br><b>940-322-4436</b>  |
| City or town, state or province, country, and ZIP or foreign postal code<br><b>Wichita Falls, TX 76301</b>   |  | C If exemption application is pending, check here <input type="checkbox"/>   |
| G Check all that apply:<br><input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity<br><input type="checkbox"/> Final return <input type="checkbox"/> Amended return<br><input type="checkbox"/> Address change <input type="checkbox"/> Name change |  | D 1 Foreign organizations, check here <input type="checkbox"/><br>2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> |
| H Check type of organization. <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation<br><input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation  |  | E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>  |
| I Fair market value of all assets at end of year (from Part II, col. (c), line 16)<br><b>\$ 2,904,618.94</b>   | J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual<br><input type="checkbox"/> Other (specify) _____ | F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>   |
| (Part I, column (d) must be on cash basis)   |  |  |

| Part I Analysis of Revenue and Expenses<br>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a)) |  | (a) Revenue and expenses per books | (b) Net investment income | (c) Adjusted net income | (d) Disbursements for charitable purposes (cash basis only) |
|--|--|------------------------------------|---------------------------|-------------------------|---|
| <b>Revenue</b>   | 1 Contributions, gifts, grants, etc., received   |                                    |                           | N/A                     |   |
|  | 2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B |                                    |                           |                         |   |
|  | 3 Interest on savings and temporary cash investments   | 32.74                              | 32.74                     |                         | Statement 1   |
|  | 4 Dividends and interest from securities   | 52,100.61                          | 52,100.61                 |                         | Statement 2   |
|  | 5a Gross rents   |                                    |                           |                         |   |
|  | b Net rental income or (loss)  |                                    |                           |                         |   |
|  | 6a Net gain or (loss) from sale of assets not on line 10                                       | 14,804.07                          |                           |                         |   |
|  | b Gross sales price for all assets on line 6a  | 617,723.97                         |                           |                         |   |
|  | 7 Capital gain net income (from Part IV, line 2)   |                                    | 14,804.07                 |                         |   |
|  | 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)   |  |                                    |                           |                         |   |
| 11 Other income  | 135.41   | 135.41                             |                           | Statement 3             |   |
| 12 Total. Add lines 1 through 11   | 67,072.83  | 67,072.83                          |                           |                         |   |
| <b>Operating and Administrative Expenses</b>   | 13 Compensation of officers, directors, trustees, etc.   | 0.00                               | 0.00                      |                         | 0.00  |
|  | 14 Other employee salaries and wages   |                                    |                           |                         |   |
|  | 15 Pension plans, employee benefits  |                                    |                           |                         |   |
|  | 16a Legal fees   |                                    |                           |                         |   |
|  | b Accounting fees  | 7,500.00                           | 3,750.00                  |                         | 3,750.00  |
|  | c Other professional fees  |                                    |                           |                         |   |
|  | 17 Interest  |                                    |                           |                         |   |
|  | 18 Taxes   | 964.13                             | 555.01                    |                         | 0.00  |
|  | 19 Depreciation and depletion  |                                    |                           |                         |   |
|  | 20 Occupancy   |                                    |                           |                         |   |
|  | 21 Travel, conferences, and meetings   |                                    |                           |                         |   |
|  | 22 Printing and publications   |                                    |                           |                         |   |
|  | 23 Other expenses Stmt 6   | 21,856.14                          | 21,856.14                 |                         | 0.00  |
|  | 24 Total operating and administrative expenses Add lines 13 through 23                         | 30,320.27                          | 26,161.15                 |                         | 3,750.00  |
|  | 25 Contributions, gifts, grants paid   | 148,000.00                         |                           |                         | 148,000.00  |
| 26 Total expenses and disbursements. Add lines 24 and 25   | 178,320.27   | 26,161.15                          |                           | 151,750.00              |   |
| 27 Subtract line 26 from line 12:  |  |                                    |                           |                         |   |
| a Excess of revenue over expenses and disbursements  | <111,247.44>   |                                    |                           |                         |   |
| b Net investment income (if negative, enter -0-)   |  | 40,911.68                          |                           |                         |   |
| c Adjusted net income (if negative, enter -0-)   |  |                                    | N/A                       |                         |   |

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| <b>Part II Balance Sheets</b> Attached schedules and amounts in the description column should be for end-of-year amounts only |  | Beginning of year | End of year    |                       |
|---|--|-------------------|----------------|-----------------------|
|   |  | (a) Book Value    | (b) Book Value | (c) Fair Market Value |
| <b>Assets</b>   | 1 Cash - non-interest-bearing  |                   |                |                       |
|   | 2 Savings and temporary cash investments   | 210,502.14        | 157,194.65     | 157,194.65            |
|   | 3 Accounts receivable ▶ 13.17  |                   |                |                       |
|   | Less: allowance for doubtful accounts ▶  | 1,444.10          | 13.17          | 13.17                 |
|   | 4 Pledges receivable ▶   |                   |                |                       |
|   | Less: allowance for doubtful accounts ▶  |                   |                |                       |
|   | 5 Grants receivable  |                   |                |                       |
|   | 6 Receivables due from officers, directors, trustees, and other disqualified persons   |                   |                |                       |
|   | 7 Other notes and loans receivable ▶   |                   |                |                       |
|   | Less: allowance for doubtful accounts ▶  |                   |                |                       |
|   | 8 Inventories for sale or use  |                   |                |                       |
|   | 9 Prepaid expenses and deferred charges  | 1,060.00          | 2,094.98       | 2,094.98              |
|   | 10a Investments - U.S. and state government obligations  |                   |                |                       |
|   | b Investments - corporate stock Stmt 7   | 2,690,651.79      | 2,633,107.79   | 2,745,316.14          |
|   | c Investments - corporate bonds  |                   |                |                       |
| <b>Liabilities</b>  | 11 Investments - land, buildings, and equipment basis ▶  |                   |                |                       |
|   | Less accumulated depreciation ▶  |                   |                |                       |
|   | 12 Investments - mortgage loans  |                   |                |                       |
|   | 13 Investments - other   |                   |                |                       |
|   | 14 Land, buildings, and equipment basis ▶  |                   |                |                       |
|   | Less accumulated depreciation ▶  |                   |                |                       |
|   | 15 Other assets (describe ▶)   |                   |                |                       |
|   | 16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)                             | 2,903,658.03      | 2,792,410.59   | 2,904,618.94          |
|   | 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   |                   |                |                       |
|   | 22 Other liabilities (describe ▶)  |                   |                |                       |
|   | 23 Total liabilities (add lines 17 through 22)   | 0.00              | 0.00           |                       |
| <b>Net Assets or Fund Balances</b>  | Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31 |                   |                |                       |
|   | 24 Unrestricted  |                   |                |                       |
|   | 25 Temporarily restricted  |                   |                |                       |
|   | 26 Permanently restricted  |                   |                |                       |
|   | Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 27 through 31   |                   |                |                       |
|   | 27 Capital stock, trust principal, or current funds  | 726,295.55        | 726,295.55     |                       |
|   | 28 Paid-in or capital surplus, or land, bldg., and equipment fund  | 0.00              | 0.00           |                       |
|   | 29 Retained earnings, accumulated income, endowment, or other funds  | 2,177,362.48      | 2,066,115.04   |                       |
|   | 30 Total net assets or fund balances   | 2,903,658.03      | 2,792,410.59   |                       |
|   | 31 Total liabilities and net assets/fund balances  | 2,903,658.03      | 2,792,410.59   |                       |

**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 | 2,903,658.03 |
| 2 Enter amount from Part I, line 27a   | 2 | <111,247.44> |
| 3 Other increases not included in line 2 (itemize) ▶   | 3 | 0.00         |
| 4 Add lines 1, 2, and 3  | 4 | 2,792,410.59 |
| 5 Decreases not included in line 2 (itemize) ▶   | 5 | 0.00         |
| 6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30  | 6 | 2,792,410.59 |

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

| (a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.) |  | (b) How acquired<br>P - Purchase<br>D - Donation | (c) Date acquired<br>(mo., day, yr.) | (d) Date sold<br>(mo., day, yr.) |
|--|--|--|--------------------------------------|----------------------------------|
| 1a Schedule 4  |  | P  | Various                              | Various                          |
| 1b Schedule 4  |  | P  | Various                              | Various                          |
| 1c Capital Gains Dividends   |  |  |                                      |                                  |
| 1d   |  |  |                                      |                                  |
| 1e   |  |  |                                      |                                  |

| (e) Gross sales price | (f) Depreciation allowed<br>(or allowable) | (g) Cost or other basis<br>plus expense of sale | (h) Gain or (loss)<br>(e) plus (f) minus (g) |
|-----------------------|--|---|--|
| a 53,752.95           |  | 50,610.71                                       | 3,142.24                                     |
| b 441,151.37          |  | 552,309.19                                      | <111,157.82>                                 |
| c 122,819.65          |  |   | 122,819.65                                   |
| d                     |  |   |  |
| e                     |  |   |  |

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

| (i) F.M.V. as of 12/31/69 | (j) Adjusted basis<br>as of 12/31/69 | (k) Excess of col. (i)<br>over col. (j), if any | (l) Gains (Col. (h) gain minus<br>col. (k), but not less than -0-) or<br>Losses (from col. (h)) |
|---------------------------|--------------------------------------|---|---|
| a                         |                                      |   | 3,142.24  |
| b                         |                                      |   | <111,157.82>  |
| c                         |                                      |   | 122,819.65  |
| d                         |                                      |   |   |
| e                         |                                      |   |   |

|   |  |           |
|---|--|-----------|
| 2 Capital gain net income or (net capital loss)   | <div style="display: flex; align-items: center;"> <div style="border-left: 1px solid black; padding-left: 5px; margin-right: 5px;">           If gain, also enter in Part I, line 7<br/>           If (loss), enter -0- in Part I, line 7         </div> <div style="border: 1px solid black; padding: 2px 5px;">2</div> </div>              | 14,804.07 |
| 3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):<br>If gain, also enter in Part I, line 8, column (c).<br>If (loss), enter -0- in Part I, line 8 | <div style="display: flex; align-items: center;"> <div style="border-left: 1px solid black; padding-left: 5px; margin-right: 5px;">           If gain, also enter in Part I, line 8, column (c).<br/>           If (loss), enter -0- in Part I, line 8         </div> <div style="border: 1px solid black; padding: 2px 5px;">3</div> </div> | N/A       |

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

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

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

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

☐ Yes ☒ No

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

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

| (a)<br>Base period years<br>Calendar year (or tax year beginning in) | (b)<br>Adjusted qualifying distributions | (c)<br>Net value of noncharitable-use assets | (d)<br>Distribution ratio<br>(col. (b) divided by col. (c)) |
|--|--|--|---|
| 2015   | 149,404.10                               | 3,080,590.60                                 | .048499   |
| 2014   | 144,500.00                               | 3,127,375.16                                 | .046205   |
| 2013   | 129,500.00                               | 2,873,368.89                                 | .045069   |
| 2012   | 131,500.00                               | 2,648,122.32                                 | .049658   |
| 2011   | 124,000.00                               | 2,666,123.26                                 | .046509   |

|  |   |              |
|--|---|--------------|
| 2 Total of line 1, column (d)  | 2 | .235940      |
| 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 | .047188      |
| 4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5   | 4 | 2,893,032.70 |
| 5 Multiply line 4 by line 3  | 5 | 136,516.43   |
| 6 Enter 1% of net investment income (1% of Part I, line 27b)   | 6 | 409.12       |
| 7 Add lines 5 and 6  | 7 | 136,925.55   |
| 8 Enter qualifying distributions from Part XII, line 4   | 8 | 151,750.00   |

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.<br>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 27b  | 1  | 409.12   |
| c  | All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).  | 2  | 0.00     |
| 2  | Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)   | 3  | 409.12   |
| 3  | Add lines 1 and 2   | 4  | 0.00     |
| 4  | Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)   | 5  | 409.12   |
| 5  | Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-   |    |          |
| 6  | Credits/Payments:   |    |          |
| a  | 2016 estimated tax payments and 2015 overpayment credited to 2016   | 6a | 2,504.10 |
| 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  | 2,504.10 |
| 8  | Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached   | 8  |          |
| 9  | Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed   | 9  |          |
| 10 | Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid   | 10 | 2,094.98 |
| 11 | Enter the amount of line 10 to be: Credited to 2017 estimated tax <input checked="" type="checkbox"/> 2,094.98 Refunded <input type="checkbox"/>  | 11 | 0.00     |

**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?   |     | X  |
| 1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)?<br>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 |     | X  |
| c Did the foundation file Form 1120-POL for this year?  |     | X  |
| d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:<br>(1) On the foundation. <input checked="" type="checkbox"/> \$ 0.00 (2) On foundation managers. <input checked="" type="checkbox"/> \$ 0.00  |     |    |
| e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input checked="" type="checkbox"/> \$ 0.00   |     |    |
| 2 Has the foundation engaged in any activities that have not previously been reported to the IRS?<br>If "Yes," attach a detailed description of the activities.   |     | X  |
| 3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes  |     | X  |
| 4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?  |     | X  |
| b If "Yes," has it filed a tax return on Form 990-T for this year?  |     |    |
| 5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?<br>If "Yes," attach the statement required by General Instruction T.   |     | X  |
| 6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either:<br>• By language in the governing instrument, or<br>• 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?          | X   |    |
| 7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV  | X   |    |
| 8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input checked="" type="checkbox"/> TX  |     |    |
| b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation   | X   |    |
| 9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? If "Yes," complete Part XIV  |     | X  |
| 10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses   |     | X  |

N/A

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

|  | Yes | No |
|--|-----|----|
| 11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)   |     | X  |
| 12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)  |     | X  |
| 13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application?<br>Website address ► <u>N/A</u>   | X   |    |
| 14 The books are in care of ► <u>Freemon, Shapard &amp; Story</u> Telephone no. ► <u>940-322-4436</u><br>Located at ► <u>807 8th St., 2nd Floor, Wichita Falls, TX</u> ZIP+4 ► <u>76301</u>  |     |    |
| 15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here<br>and enter the amount of tax-exempt interest received or accrued during the year  |     |    |
| 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?<br>See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ► |     | X  |

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

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

|   | Yes   | No |
|---|---|----|
| 1a During the year did the foundation (either directly or indirectly):  |   |    |
| (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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No |    |
| (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?  | <input type="checkbox"/> Yes <input checked="" 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 any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?<br>Organizations relying on a current notice regarding disaster assistance check here  | N/A   |    |
| 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?   |   | X  |
| 2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):  |   |    |
| a At the end of tax year 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016?<br>If "Yes," list the years ►   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |    |
| b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)   | N/A   |    |
| c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.<br>►   |   |    |
| 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.) | N/A   |    |
| 4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?  |   | X  |
| b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2016?   |   | X  |

**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?

☐ Yes ☒ No

☐ Yes ☒ No

☐ Yes ☒ No

☐ Yes ☒ No

☐ Yes ☒ No

**b** If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

5b

**Organizations relying on a current notice regarding disaster assistance check here**

▶

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

N/A

☐ Yes ☐ No

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

**6a** Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

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

6b

If "Yes" to 6b, file Form 8870

**7a** At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

**b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b

**1 List all officers, directors, trustees, foundation managers and their compensation.**

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

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

0



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

|   |   |    |              |
|---|---|----|--------------|
| 1 | Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes: |    |              |
| a | Average monthly fair market value of securities   | 1a | 2,768,458.67 |
| b | Average of monthly cash balances  | 1b | 166,139.47   |
| c | Fair market value of all other assets   | 1c | 2,490.90     |
| d | Total (add lines 1a, b, and c)  | 1d | 2,937,089.04 |
| e | Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)   | 1e | 0.00         |
| 2 | Acquisition indebtedness applicable to line 1 assets  | 2  | 0.00         |
| 3 | Subtract line 2 from line 1d  | 3  | 2,937,089.04 |
| 4 | Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)   | 4  | 44,056.34    |
| 5 | Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4        | 5  | 2,893,032.70 |
| 6 | Minimum investment return. Enter 5% of line 5   | 6  | 144,651.64   |

**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  | 144,651.64 |
| 2a | Tax on investment income for 2016 from Part VI, line 5   | 2a | 409.12     |
| b  | Income tax for 2016. (This does not include the tax from Part VI.)                                 | 2b |            |
| c  | Add lines 2a and 2b  | 2c | 409.12     |
| 3  | Distributable amount before adjustments. Subtract line 2c from line 1                              | 3  | 144,242.52 |
| 4  | Recoveries of amounts treated as qualifying distributions  | 4  | 0.00       |
| 5  | Add lines 3 and 4  | 5  | 144,242.52 |
| 6  | Deduction from distributable amount (see instructions)   | 6  | 0.00       |
| 7  | Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1 | 7  | 144,242.52 |

**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 | 151,750.00 |
| b | Program-related investments - total from Part IX-B  | 1b | 0.00       |
| 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  | 151,750.00 |
| 5 | Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b | 5  | 409.12     |
| 6 | Adjusted qualifying distributions. Subtract line 5 from line 4  | 6  | 151,340.88 |

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

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

|  | (a)<br>Corpus | (b)<br>Years prior to 2015 | (c)<br>2015 | (d)<br>2016 |
|--|---------------|----------------------------|-------------|-------------|
| 1 Distributable amount for 2016 from Part XI, line 7   |               |                            |             | 144,242.52  |
| 2 Undistributed income, if any, as of the end of 2016  |               |                            |             |             |
| a Enter amount for 2015 only   |               |                            | 148,554.71  |             |
| b Total for prior years:   |               | 0.00                       |             |             |
| 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  | 0.00          |                            |             |             |
| 4 Qualifying distributions for 2016 from Part XII, line 4: ► \$ 151,750.00   |               |                            |             |             |
| a Applied to 2015, but not more than line 2a   |               |                            | 148,554.71  |             |
| b Applied to undistributed income of prior years (Election required - see instructions)  |               | 0.00                       |             |             |
| c Treated as distributions out of corpus (Election required - see instructions)  | 0.00          |                            |             |             |
| d Applied to 2016 distributable amount   | 0.00          |                            |             | 3,195.29    |
| e Remaining amount distributed out of corpus   | 0.00          |                            |             |             |
| 5 Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a).)  | 0.00          |                            |             | 0.00        |
| 6 Enter the net total of each column as indicated below:   |               |                            |             |             |
| a Corpus Add lines 3f, 4c, and 4e Subtract line 5  | 0.00          |                            |             |             |
| b Prior years' undistributed income. Subtract line 4b from line 2b   |               | 0.00                       |             |             |
| c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed |               | 0.00                       |             |             |
| d Subtract line 6c from line 6b. Taxable amount - see instructions   |               | 0.00                       |             |             |
| e Undistributed income for 2015. Subtract line 4a from line 2a. Taxable amount - see instructions  |               |                            | 0.00        |             |
| f Undistributed income for 2016. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2017  |               |                            |             | 141,047.23  |
| 7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)       | 0.00          |                            |             |             |
| 8 Excess distributions carryover from 2011 not applied on line 5 or line 7   | 0.00          |                            |             |             |
| 9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a  | 0.00          |                            |             |             |
| 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   |               |                            |             |             |

|                 |  |
|-----------------|--|
| <b>Part XIV</b> | <b>Private Operating Foundations</b> (see instructions and Part VII A, question 9) |
|-----------------|--|

N/A

- 1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2016, enter the date of the ruling

- b** Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)





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

- |          |  | Yes          | No       |
|----------|--|--------------|----------|
| <b>1</b> | 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?  |              |          |
| <b>a</b> | Transfers from the reporting foundation to a noncharitable exempt organization of:   |              |          |
|          | (1) Cash   | <b>1a(1)</b> | <b>X</b> |
|          | (2) Other assets   | <b>1a(2)</b> | <b>X</b> |
| <b>b</b> | Other transactions:  |              |          |
|          | (1) Sales of assets to a noncharitable exempt organization   | <b>1b(1)</b> | <b>X</b> |
|          | (2) Purchases of assets from a noncharitable exempt organization   | <b>1b(2)</b> | <b>X</b> |
|          | (3) Rental of facilities, equipment, or other assets   | <b>1b(3)</b> | <b>X</b> |
|          | (4) Reimbursement arrangements   | <b>1b(4)</b> | <b>X</b> |
|          | (5) Loans or loan guarantees   | <b>1b(5)</b> | <b>X</b> |
|          | (6) Performance of services or membership or fundraising solicitations   | <b>1b(6)</b> | <b>X</b> |
| <b>c</b> | Sharing of facilities, equipment, mailing lists, other assets, or paid employees   | <b>1c</b>    | <b>X</b> |
| <b>d</b> | 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. |              |          |

[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 |
|--------------------------|--------------------------|---------------------------------|
| N/A                      |                          |                                 |
|                          |                          |                                 |
|                          |                          |                                 |
|                          |                          |                                 |
|                          |                          |                                 |

**Sign  
Here**

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

Signature of officer or trustee

Date \_\_\_\_\_

Title

May the IRS discuss this return with the preparer shown below (see instr )?

☒ Yes ☐ No

**Paid  
Preparer  
Use Only**

Print/Type preparer's name

Preparer's signature

Date \_\_\_\_\_

Check ☐ self-employed

PTIN

Mac Cannedy

Max Connally

5/4/17

P00123468

Firm's name ► **Freemon, Shapard & Story**

Firm's EIN ▶ 75-0706311

Firm's address ► 807 8th Street, 2nd Floor  
Wichita Falls, TX 76301-3381

Phone no. (940) 322-4436

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Form 990-PF Interest on Savings and Temporary Cash Investments Statement 1

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| Source                  | (a)<br>Revenue<br>Per Books | (b)<br>Net Investment<br>Income | (c)<br>Adjusted<br>Net Income |
|-------------------------|-----------------------------|---------------------------------|-------------------------------|
| Schedule 1              | 32.74                       | 32.74                           |                               |
| Total to Part I, line 3 | 32.74                       | 32.74                           |                               |

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Form 990-PF Dividends and Interest from Securities Statement 2

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| Source            | Gross<br>Amount | Capital<br>Gains<br>Dividends | (a)<br>Revenue<br>Per Books | (b)<br>Net Invest-<br>ment Income | (c)<br>Adjusted<br>Net Income |
|-------------------|-----------------|-------------------------------|-----------------------------|-----------------------------------|-------------------------------|
| Schedule 1        | 174,920.26      | 122,819.65                    | 52,100.61                   | 52,100.61                         |                               |
| To Part I, line 4 | 174,920.26      | 122,819.65                    | 52,100.61                   | 52,100.61                         |                               |

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Form 990-PF Other Income Statement 3

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| Description                           | (a)<br>Revenue<br>Per Books | (b)<br>Net Invest-<br>ment Income | (c)<br>Adjusted<br>Net Income |
|---------------------------------------|-----------------------------|-----------------------------------|-------------------------------|
| Schedule 1                            | 135.41                      | 135.41                            |                               |
| Total to Form 990-PF, Part I, line 11 | 135.41                      | 135.41                            |                               |

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Form 990-PF Accounting Fees Statement 4

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| Description                  | (a)<br>Expenses<br>Per Books | (b)<br>Net Invest-<br>ment Income | (c)<br>Adjusted<br>Net Income | (d)<br>Charitable<br>Purposes |
|------------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| Schedule 1                   | 7,500.00                     | 3,750.00                          |                               | 3,750.00                      |
| To Form 990-PF, Pg 1, ln 16b | 7,500.00                     | 3,750.00                          |                               | 3,750.00                      |

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| Form 990-PF                 | Taxes                        |                                   |                               | Statement                     | 5 |
|-----------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|---|
| Description                 | (a)<br>Expenses<br>Per Books | (b)<br>Net Invest-<br>ment Income | (c)<br>Adjusted<br>Net Income | (d)<br>Charitable<br>Purposes |   |
| Schedule 1                  | 964.13                       | 555.01                            |                               | 0.00                          |   |
| To Form 990-PF, Pg 1, ln 18 | 964.13                       | 555.01                            |                               | 0.00                          |   |

| Form 990-PF                 | Other Expenses               |                                   |                               | Statement                     | 6 |
|-----------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|---|
| Description                 | (a)<br>Expenses<br>Per Books | (b)<br>Net Invest-<br>ment Income | (c)<br>Adjusted<br>Net Income | (d)<br>Charitable<br>Purposes |   |
| Schedule 1                  | 21,856.14                    | 21,856.14                         |                               | 0.00                          |   |
| To Form 990-PF, Pg 1, ln 23 | 21,856.14                    | 21,856.14                         |                               | 0.00                          |   |

| Form 990-PF                             | Corporate Stock |  | Statement            | 7 |
|---|-----------------|--|----------------------|---|
| Description                             | Book Value      |  | Fair Market<br>Value |   |
| Schedule 5                              | 2,633,107.79    |  | 2,745,316.14         |   |
| Total to Form 990-PF, Part II, line 10b | 2,633,107.79    |  | 2,745,316.14         |   |

## Schedule 1

## REVENUE AND EXPENSES

M &amp; A MCCULLOUGH FOUNDATION - TIN 75-6021589

Year 2016

## REVENUE

## Interest on savings and cash investments:

|                 |    |              |          |
|-----------------|----|--------------|----------|
| Bank of America | \$ | 0 06         |          |
| Merrill Lynch   |    | <u>32 68</u> | \$ 32 74 |

## Dividends and interest from securities:

|               |  |  |           |
|---------------|--|--|-----------|
| Dividends.    |  |  |           |
| Merrill Lynch |  |  | 52,100.61 |

|                                  |  |  |           |
|----------------------------------|--|--|-----------|
| Capital gains and losses - Sch 4 |  |  | 14,804 07 |
|----------------------------------|--|--|-----------|

## Other income

|                 |    |               |  |
|-----------------|----|---------------|--|
| Gross royalties | \$ | 135.41        |  |
| Miscellaneous   |    | <u>135 41</u> |  |

|       |  |  |              |
|-------|--|--|--------------|
| Total |  |  | \$ 67,072.83 |
|-------|--|--|--------------|

## EXPENSES

## Accounting fees - Freemon, Shapard &amp; Story

|  |    |          |
|--|----|----------|
|  | \$ | 7,500 00 |
|--|----|----------|

## Taxes.

|                  |    |             |        |
|------------------|----|-------------|--------|
| Federal excise   | \$ | 409 12      |        |
| Ad valorem taxes |    |             |        |
| Foreign taxes    |    | 548.78      |        |
| Severance        |    | <u>6 23</u> | 964 13 |

## Other

|                 |    |              |           |
|-----------------|----|--------------|-----------|
| Investment fees | \$ | 21,780 44    |           |
| Service fees    |    | <u>75 70</u> | 21,856 14 |

## Grants and contributions paid -

|            |  |                   |                   |
|------------|--|-------------------|-------------------|
| Schedule 2 |  | <u>148,000 00</u> | <u>178,320 27</u> |
|------------|--|-------------------|-------------------|

|                                   |  |  |                 |
|-----------------------------------|--|--|-----------------|
| Net revenue in excess of expenses |  |  | \$ (111,247.44) |
|-----------------------------------|--|--|-----------------|

|                    |  |  |                     |
|--------------------|--|--|---------------------|
| Net worth 12-31-15 |  |  | <u>2,903,658 03</u> |
|--------------------|--|--|---------------------|

|                    |  |  |                        |
|--------------------|--|--|------------------------|
| Net worth 12-31-16 |  |  | <u>\$ 2,792,410 59</u> |
|--------------------|--|--|------------------------|

## Schedule 2

## GRANTS AND CONTRIBUTIONS PAID

M &amp; A MCCULLOUGH FOUNDATION - TIN 75-6021589

Year 2016

| <u>Name and Address</u>   | <u>Purpose</u>                        | <u>Amount</u>        |
|---|---------------------------------------|----------------------|
| Ambassador Junior Boys Club<br>810 Tulsa Street<br>Wichita Falls, Texas 76301   | Operating Budget                      | \$ 2,000 00          |
| The Arts Council, Wichita Falls Area, Inc<br>dba The Kemp at the Forum<br>2120 Speedway<br>Wichita Falls, Texas 76308 | Operating Budget                      | 4,000 00             |
| Boys & Girls Clubs of Wichita Falls, Inc<br>1318 6th Street<br>Wichita Falls, Texas 76301                             | Operating Budget                      | 3,000 00             |
| Camp Fire Council of North Texas<br>2414 9th Street<br>Wichita Falls, Texas 76301                                     | Operating Budget                      | 6,000 00             |
| Child Advocates<br>811 6th Street, Ste 130<br>Wichita Falls, Texas 76301  | Operating Budget                      | 2,000.00             |
| Community Healthcare Center<br>P.O. Box 720<br>Wichita Falls, Texas 76307   | Operating Budget<br>Expansion Project | 3,000 00<br>2,500 00 |
| Eastside Baptist Church<br>1632 Harding Street<br>Wichita Falls, Texas 76301  | Operating Budget                      | 1,000 00             |
| Faith Mission/Faith Refuge<br>P O Box 965<br>Wichita Falls, TX 76307  | Operating Budget                      | 8,000 00             |
| First Step Of Wichita Falls, Inc<br>P O Box 4085<br>Wichita Falls, Texas 76307  | Operating Budget                      | 1,000 00             |
| Habitat for Humanity<br>1206 Lamar St<br>Wichita Falls, TX 76301  | Operating Budget                      | 1,000 00             |
| Hands to Hand Community Fund<br>P O. Box 4641<br>Wichita Falls, TX 76308  | Operating Budget                      | 6,000 00             |

| <u>Name and Address</u>  | <u>Purpose</u>                 | <u>Amount</u> |
|--|--------------------------------|---------------|
| Interfaith Ministries Of Wichita Falls<br>1006 11th Street<br>Wichita Falls, Texas 76301                   | Operating Budget               | 4,000 00      |
| Methodist Children's Home<br>1111 Herring Avenue<br>Waco, Texas 76708                                      | Operating Budget               | 3,000 00      |
| Midwestern State University<br>President's Excellence Club<br>3410 Taft Blvd<br>Wichita Falls, Texas 76308 | Operating Budget               | 1,000 00      |
| Midwestern State University<br>WF Museum of Art at MSU<br>3410 Taft Blvd<br>Wichita Falls, Texas 76308     | Operating Budget               | 7,000 00      |
| Nonprofit Management Center<br>2301 Kell Blvd , Suite 218<br>Wichita Falls, Texas 76308                    | Operating Budget               | 1,000 00      |
| North Texas Rehabilitation Center, Inc<br>1005 Midwestern Parkway East<br>Wichita Falls, Texas 76302       | Operating Budget               | 2,000 00      |
| River Bend Nature Works<br>2200 Third Street<br>Wichita Falls, Texas 76301                                 | Operating Budget               | 10,000 00     |
| Salvation Army<br>P O Box 2189<br>Wichita Falls, Texas 76307   | Operating Budget               | 20,000 00     |
| Senior Citizens Services of North Texas, Inc.<br>P O Box 1655<br>Wichita Falls, Texas 76307                | The Kitchen<br>Meals on Wheels | 5,000 00      |
| Southside Girls Club Inc<br>1205 Montgomery<br>Wichita Falls, Texas 76302                                  | Operating Budget               | 1,000 00      |
| United Way of Greater Wichita Falls<br>P O Box 660<br>Wichita Falls, Texas 76307                           | Operating Budget               | 2,000 00      |
| UT Southwestern Medical School<br>5323 Harry Hines Blvd<br>Dallas, Texas 75390-9002                        | Research                       | 10,000 00     |

| <u>Name and Address</u>   | <u>Purpose</u>   | <u>Amount</u>        |
|---|------------------|----------------------|
| Wichita County Heritage Society, Inc.<br>Kell House<br>900 Bluff Street<br>Wichita Falls, Texas 76301 | Curator Salary   | 21,500.00            |
| Wichita Falls Area Food Bank<br>P. O. Box 623<br>Wichita Falls, Texas 76307                           | Operating Budget | 10,000 00            |
| Wichita Falls Ballet Theatre<br>3412 Buchanan<br>Wichita Falls, Texas 76308                           | Operating Budget | 4,000.00             |
| Wichita Falls Symphony Orchestra<br>P. O. Box 3502<br>Wichita Falls, Texas 76309                      | Operating Budget | 7,000.00             |
| Total   |                  | <u>\$ 148,000 00</u> |

Note. All of the above organizations are qualified public charities or governmental entities.

Schedule 3

LIST OF OFFICERS, DIRECTORS, TRUSTEES, FOUNDATION MANAGERS  
AND THEIR COMPENSATION

M & A MCCULLOUGH FOUNDATION - TIN 75-6021589

Year 2016

| <u>Name and Address</u>                         | <u>Title, and<br/>Average<br/>Hours per<br/>Week Devoted<br/>to Position</u> | <u>Contributions<br/>to Employees<br/>Benefit<br/>Plans</u> | <u>Expense<br/>Account,<br/>Other<br/>Allowances</u> | <u>Compensation</u> |
|---|--|---|--|---------------------|
| Thomas E McCullough<br>Wichita Falls, Texas     | President/Treas.<br>2  | -0-   | -0-  | -0-                 |
| Linda McCullough Decker<br>Wichita Falls, Texas | Vice President/Sec<br>2  | -0-   | -0-  | -0-                 |

## Schedule 4

## NET GAIN OR LOSS FROM SALE OF ASSETS

M &amp; A MCCULLOUGH FOUNDATION - TIN 75-6021589

Year 2016

|                                     | # of<br>Shares | Date<br>Acquired | Date<br>Sold | Sales<br>Price | Cost or<br>Basis | Gain (Loss)     |
|-------------------------------------|----------------|------------------|--------------|----------------|------------------|-----------------|
| <b>Short term</b>                   |                |                  |              |                |                  |                 |
| First Eagle Global Class I          | 0 305          | 12/18/15         | 01/21/16     | \$ 14 58       | \$ 15 61         | \$ (1 03)       |
| Eaton Vance Worldwide Health Sci    | 0 997          | 04/21/16         | 07/21/16     | 3 83           | 3 49             | 0 34            |
| JP Morgan Mid Cap Value             | 0 716          | 01/21/16         | 07/21/16     | 25 12          | 21 93            | 3 19            |
| Oppenheimer Global Strategic Inc    | 0 150          | 07/21/15         | 01/21/16     | 0 55           | 0 62             | (0 07)          |
| Calamos Growth & Income Fd          | 20 841         | 07/21/16         | 12/23/16     | 601.15         | 616 14           | (14 99)         |
| Calamos Growth Fund                 | 1416 014       | 07/21/16         | 12/23/16     | 53,015 57      | 49,865 79        | 3,149 78        |
| Federated Equity Income Fd Inst     | 0 9127         | 01/21/16         | 07/21/16     | 19 61          | 19 36            | 0 25            |
| Gabelli Asset Fund-                 | 0 076          | 01/21/16         | 04/21/16     | 4 28           | 3 73             | 0 55            |
| American Capital World Grwth        | 0 886          | 01/21/16         | 04/21/16     | 39 17          | 35 58            | 3 59            |
| FPA Crescent Fund                   | 0 620          | 01/21/16         | 04/21/16     | 19 67          | 18 61            | 1 06            |
| Templeton Global Bond Fund          | 0 630          | 10/21/15         | 01/21/16     | 6 93           | 7 44             | (0 51)          |
| Loomis Sayles Strategic Inc Fd      | 0 171          | 04/21/16         | 07/21/16     | 2 49           | 2 41             | 0 08            |
| Totals - Short term                 |                |                  |              | \$ 53,752 95   | \$ 50,610 71     | \$ 3,142 24     |
| <b>Long term</b>                    |                |                  |              |                |                  |                 |
| First Eagle Global Class I          | 270 364        | 04/16/14         | 01/21/16     | \$ 13,915 38   | \$ 14,859 22     | \$ (943 84)     |
| FPA Crescent Fund Instl             | 35 000         | 04/26/13         | 04/21/16     | 1,110 20       | 1,063 65         | 46 55           |
| Templeton Global Bond Fund          | 581 000        | 04/26/13         | 01/21/16     | 6,391 00       | 7,878 36         | (1,487 36)      |
| Eaton Vance Worldwide Health Sci    | 521 216        | 04/29/08         | 07/21/16     | 2,853 08       | 2,460 86         | 392 22          |
| JP Morgan Mid Cap Value             | 643 368        | 04/29/08         | 07/21/16     | 22,703 50      | 15,107 19        | 7,596 31        |
| Oppenheimer Global Strategic Inc.   | 4,928 130      | 04/29/08         | 01/21/16     | 18,332 65      | 21,147 03        | (2,814 38)      |
| Calamos Growth & Income Fd          | 12 000         | 07/21/15         | 12/23/16     | 346 08         | 375 43           | (29 35)         |
| Calamos Growth & Income Fd          | 4,564 000      | Various          | 12/23/16     | 131,627 55     | 132,675 88       | (1,048 33)      |
| Calamos Growth Fund Cl I            | 96 000         | 10/21/15         | 12/23/16     | 3,594 23       | 4,747 20         | (1,152 97)      |
| Calamos Growth Fund Cl I            | 5,123 000      | 04/29/08         | 12/23/16     | 191,805 12     | 307,622 86       | (115,817 74)    |
| Federated Equity Income Fd Inst     | 114 145        | 04/29/08         | 07/21/16     | 2,472 41       | 2,650 76         | (178 35)        |
| Federated Equity Income Fd Inst     | 0 001          | 04/24/13         | 04/21/16     | 0 02           |                  | 0 02            |
| Pimco Total Return Fund             | 693 045        | 05/02/08         | 01/21/16     | 6,965 10       | 7,552 73         | (587 63)        |
| Gabelli Asset Fund Cl               | 457 283        | 04/29/08         | 07/21/16     | 26,047 67      | 21,503 82        | 4,543 85        |
| American Capital World Grwth        | 215 000        | 04/29/08         | 04/21/16     | 9,505 15       | 9,153 89         | 351 26          |
| Loomis Sayles Strategic Inc         | 239 000        | 04/29/08         | 07/21/16     | 3,482 23       | 3,510 31         | (28 08)         |
| Totals - Long term                  |                |                  |              | \$ 441,151 37  | \$ 552,309 19    | \$ (111,157 82) |
| <b>Capital gain distributions</b>   |                |                  |              |                |                  |                 |
| Calamos Growth Fund                 |                |                  |              | \$ 7,980 79    | \$               | \$ 7,980 79     |
| Calamos Growth & Income Fund        |                |                  |              | 5,508 60       |                  | 5,508 60        |
| Eaton Vance Worldwide               |                |                  |              | 19,299 98      |                  | 19,299 98       |
| Federated Equity Income Fund        |                |                  |              | 4,787 69       |                  | 4,787 69        |
| First Eagle Global Class I          |                |                  |              | 6,069 38       |                  | 6,069 38        |
| Gabelli Asset Fund SBI              |                |                  |              | 38,977 63      |                  | 38,977 63       |
| JP Morgan Mid Cap Value             |                |                  |              | 20,034 67      |                  | 20,034 67       |
| Loomis Sayles Strategic Inc         |                |                  |              | 6,643 89       |                  | 6,643 89        |
| American Capital World G&I          |                |                  |              | 9,106 83       |                  | 9,106 83        |
| UAM FPA Crescent Port               |                |                  |              | 4,410 19       |                  | 4,410 19        |
| Totals - Capital gain distributions |                |                  |              | \$ 122,819 65  | \$               | \$ 122,819 65   |
| Totals - Combined                   |                |                  |              | \$ 617,723 97  | \$ 602,919 90    | \$ 14,804 07    |

## Schedule 5

## BALANCE SHEETS

M &amp; A MCCULLOUGH FOUNDATION - TIN 75-6021589

Year 2016

|   | C o s t         |                 | Market          |
|---|-----------------|-----------------|-----------------|
|   | 12-31-15        | 12-31-16        | Value           |
| ASSETS  |                 |                 |                 |
| Cash  |                 |                 |                 |
| Interest bearing                              | \$ 210,502 14   | \$ 157,194 65   | \$ 157,194 65   |
| Accounts receivable                           | 1,444 10        | 13 17           | 13 17           |
| In transit items                              |                 |                 |                 |
| Prepaid excise tax                            | 1,060 00        | 2,094 98        | 2,094 98        |
| -Mutual Funds                                 |                 |                 |                 |
| American Cap World G&I - 7,369 76 sh          | \$ 313,252 20   | \$ 309,622 48   |                 |
| Calamos Growth Fund                           | 312,402 56      |                 |                 |
| Calamos Growth & Income                       | 133,079 03      |                 |                 |
| EV Worldwide Health Sciences - 16,622 13 sh   | 156,257 57      | 164,470 35      |                 |
| Federated Equity Income Fd - 11,574 52 sh.    | 266,481 44      | 267,102 52      |                 |
| First Eagle - 2,811 39 sh                     | 161,268 51      | 153,636 74      |                 |
| Gabelli Asset Fd - 5,874 88 sh                | 262,191 84      | 277,619 21      |                 |
| JP Morgan Mid Cap Value - 9,073 46 sh         | 213,379 73      | 211,288 09      |                 |
| Loomis Sayles Global Equity - 7,071 08 sh     |                 | 133,983 83      |                 |
| Loomis Sayles Strategic Income - 20,632 75 sh | 292,264 25      | 297,132 61      |                 |
| Oppenheimer Strategic Income - 65,317 85 sh   | 282,133 68      | 273,992 61      |                 |
| Parnassus Endeavor Fund - 7,389 55 sh         |                 | 249,373 42      |                 |
| Pimco Total Return Fd - 8,747 74 sh           | 92,738 91       | 91,970 04       |                 |
| Templeton - 7,829 55 sh                       | 106,727 79      | 102,031 79      |                 |
| UAM FPA Crescent Port - 3,315 93 sh           | 98,474 28       | 100,884 10      |                 |
|   | 2,690,651 79    | 2,633,107 79    |                 |
| Total assets                                  | \$ 2,903,658 03 | \$ 2,792,410 59 | \$ 2,904,618 94 |
| LIABILITIES AND EQUITY                        |                 |                 |                 |
| Other liabilities                             |                 |                 |                 |
| Federal excise tax                            | \$              | \$              |                 |
| Accounts payable                              | \$              | \$              |                 |
| Net worth                                     |                 |                 |                 |
| Principal fund                                | \$ 726,295 55   | \$ 726,295 55   |                 |
| Income fund                                   | 2,177,362 48    | 2,066,115 04    | 2,792,410 59    |
|   | 2,903,658 03    |                 |                 |
| Total liabilities and equity                  | \$ 2,903,658 03 | \$ 2,792,410 59 |                 |