

Form **990-PF**

Return of Private Foundation

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

2017Department of the Treasury
Internal Revenue Service

- Do not enter social security numbers on this form as it may be made public.
► Go to www.irs.gov/Form990PF for instructions and the latest information.

Open to Public Inspection

For calendar year 2017 or tax year beginning

09-01, 2017, and ending

08-31, 2018

Name of foundation The Eugene McDermott Foundation		A Employer identification number 23-7237919
Number and street (or P.O. box number if mail is not delivered to street address) 1937 Malone Cliff View	Room/suite	B Telephone number (see instructions) (214) 521-2924
City or town, state or province, country, and ZIP or foreign postal code Dallas, TX 75208		C If exemption application is pending, check here ☐
G Check all that apply	Initial return ☐ Final return ☐ Address 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) ► \$ 88,133,468	J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) _____	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)
1	Contributions, gifts, grants, etc., received (attach schedule)				
2	Check ☒ if the foundation is not required to attach GUB. D . . .				
3	Interest on savings and temporary cash investments	447	447		
4	Dividends and interest from securities	1,912,156	1,912,156		
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	5,157,344			
b	Gross sales price for all assets on line 6a 42,709,466				
7	Capital gain net income (from Part IV, line 2)		5,157,344		
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less: Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule)				
12	Total. Add lines 1 through 11	7,069,947	7,069,947		
13	Compensation of officers, directors, trustees, etc.	34,000	8,500		25,500
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule) STM108	9,350	2,338		7,012
c	Other professional fees (attach schedule) STM109	272,436	205,849		66,587
17	Interest				
18	Taxes (attach schedule) (see instructions) STM110	27,300			
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (attach schedule) STM103	1,067	610		457
24	Total operating and administrative expenses. Add lines 13 through 23	344,153	217,297		99,556
25	Contributions, gifts, grants paid	6,248,500			6,248,500
26	Total expenses and disbursements. Add lines 24 and 25	6,592,653	217,297		6,348,056
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements	477,294			
b	Net investment income (if negative, enter -0-)		6,852,650		
c	Adjusted net income (if negative, enter -0-)			0	

For Paperwork Reduction Act Notice, see instructions.

Form 990-PF (2017)

Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

Beginning of year

End of year

(a) Book Value

(b) Book Value

(c) Fair Market Value

Assets	1	Cash - non-interest-bearing	4,809	3,827	3,827
	2	Savings and temporary cash investments	5,447,165	4,472,023	4,472,023
	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			
	10a	Investments - U S and state government obligations (attach schedule)	13,021,327	15,529,508	15,052,777
	b	Investments - corporate stock (attach schedule)	39,992,961	42,044,313	52,203,750
	c	Investments - corporate bonds (attach schedule)	17,684,756	16,676,204	16,400,838
Liabilities	11	Investments - land, buildings, and equipment basis			
		Less accumulated depreciation (attach schedule)			
	12	Investments - mortgage loans			
	13	Investments - other (attach schedule)	2,097,561	1	253
	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)	78,248,579	78,725,876	88,133,468
Net Assets or Fund Balances	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	0	
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	119,411,878	124,569,222	
	28	Paid-in or capital surplus, or land, bldg, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	(41,163,299)	(45,843,346)	
	30	Total net assets or fund balances (see instructions)	78,248,579	78,725,876	
Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.	31	Total liabilities and net assets/fund balances (see instructions)	78,248,579	78,725,876	

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	78,248,579
2	Enter amount from Part I, line 27a	2	477,294
3	Other increases not included in line 2 (itemize)	3	3
4	Add lines 1, 2, and 3	4	78,725,876
5	Decreases not included in line 2 (itemize)	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	78,725,876

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (for example, 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	Publicly traded securities	P		
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 42,709,466		37,552,122	5,157,344
b			
c			
d			
e			

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

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a			5,157,344
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	5,157,344
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	

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 doesn't qualify under section 4940(e). Do not complete this part.

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2016	6,063,189	86,624,022	0.069994
2015	6,027,142	86,097,206	0.070004
2014	6,454,539	91,779,141	0.070327
2013	6,364,693	94,132,902	0.067614
2012	6,005,815	92,995,448	0.064582

2 Total of line 1, column (d)	2	0.342521
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5 0, or by the number of years the foundation has been in existence if less than 5 years	3	0.068504
4 Enter the net value of noncharitable-use assets for 2017 from Part X, line 5	4	88,827,378
5 Multiply line 4 by line 3	5	6,085,031
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	68,527
7 Add lines 5 and 6	7	6,153,558
8 Enter qualifying distributions from Part XII, line 4 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	8	6,348,056

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	68,527
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations, enter 4% of Part I, line 12, col (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only, others, enter -0-)		2	0
3 Add lines 1 and 2		3	68,527
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only, others, enter -0-)		4	0
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	68,527
6 Credits/Payments			
a 2017 estimated tax payments and 2016 overpayment credited to 2017	6a	87,836	
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	87,836	
8 Enter any penalty for underpayment of estimated tax. Check here ☐ 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	19,309	
11 Enter the amount of line 10 to be Credited to 2018 estimated tax 19,309 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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? See the instructions for the definition If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		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 (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? 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?	N/A	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	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. 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 2017 or the tax year beginning in 2017? 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

Part VII-A Statements Regarding Activities (continued)

	Yes	No
11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule See instructions	11	X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement See instructions	12	X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X
Website address ▶ <u>N/A</u>		
14 The books are in care of ▶ <u>Mary M Cook</u> Telephone no ▶ <u>214-369-9222</u>		
Located at ▶ <u>1937 Malone Cliff View, Dallas, TX</u> ZIP+4 ▶ <u>75208</u>		
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 ▶ <u>15</u>		
16 At any time during calendar year 2017, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16	X
See the instructions for exceptions and filing requirements for FinCEN Form 114 If "Yes," enter the name of the foreign country ▶		

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

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

	Yes	No
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? ☐ Yes ☒ No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☒ Yes ☐ No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☒ Yes ☐ No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☒ No		
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance? See instructions	1b	X
Organizations relying on a current notice regarding disaster assistance, check here ▶ ☐		
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2017?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2017, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2017? ☐ Yes ☒ No		
If "Yes," list the years ▶ _____, _____, _____		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions)	2b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ _____, _____, _____		
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 2017 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 2017)	3b	N/A
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2017?	4b	X

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

	Yes	No
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		
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?	☐ 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?		
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?		

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See 990 OFOV				
Mary McDermott Cook	Pres., Trustee			
1942 Malone Cliff View, TX 75208	10.00	0	0	0
J H Cullum Clark	Trustee			
53443 Waneta, Dallas, TX 75209	1.00	0	0	0
Patricia Brown	Assistant Sec.			
4303 Glenleigh Drive, TX 75220	20.00	34,000	0	0
Sam Self	Trustee			
6918 Oak Manor Drive, TX 75230	1.00	0	0	0

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

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

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

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
Bank of America Private Bank 901 Main St., 19th Floor, Dallas, TX 75202-3714	Agency/Investment	250,434
Total number of others receiving over \$50,000 for professional services ▶		

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 N/A	
2	0
3	
4	

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

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

	Amount
1 N/A	
2	0
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	90,175,848
b	Average of monthly cash balances	1b	4,231
c	Fair market value of all other assets (see instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	90,180,079
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	90,180,079
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	1,352,701
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	88,827,378
6	Minimum investment return. Enter 5% of line 5	6	4,441,369

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	4,441,369
2a	Tax on investment income for 2017 from Part VI, line 5	2a	68,527
b	Income tax for 2017 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	68,527
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	4,372,842
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	4,372,842
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	4,372,842

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	6,348,056
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	6,348,056
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	68,527
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	6,279,529

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 2016	(c) 2016	(d) 2017
1 Distributable amount for 2017 from Part XI, line 7				4,372,842
2 Undistributed income, if any, as of the end of 2017				
a Enter amount for 2016 only				
b Total for prior years				
3 Excess distributions carryover, if any, to 2017				
a From 2012	1,526,247			
b From 2013	1,823,126			
c From 2014	1,917,528			
d From 2015	1,850,802			
e From 2016	1,890,956			
f Total of lines 3a through e	9,008,659			
4 Qualifying distributions for 2017 from Part XII, line 4 ▶ \$ 6,348,056				
a Applied to 2016, but not more than line 2a				
b Applied to undistributed income of prior years (Election required - see instructions)				
c Treated as distributions out of corpus (Election required - see instructions)				
d Applied to 2017 distributable amount				4,372,842
e Remaining amount distributed out of corpus	1,975,214			
5 Excess distributions carryover applied to 2017 (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	10,983,873			
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 2016 Subtract line 4a from line 2a Taxable amount - see instructions				
f Undistributed income for 2017 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2018				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)				
8 Excess distributions carryover from 2012 not applied on line 5 or line 7 (see instructions)	1,526,247			
9 Excess distributions carryover to 2018 Subtract lines 7 and 8 from line 6a	9,457,626			
10 Analysis of line 9				
a Excess from 2013	1,823,126			
b Excess from 2014	1,917,528			
c Excess from 2015	1,850,802			
d Excess from 2016	1,890,956			
e Excess from 2017	1,975,214			

Form 990-PF (2017)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year See attached schedule				6,248,500
Total			▶ 3a	6,248,500
b Approved for future payment None				0
Total			▶ 3b	

Enter gross amounts unless otherwise indicated

(See worksheet in line 13 instructions to verify calculations)

Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions)

N/A

Federal Supporting Statements

2017 PG01

Employer Identification Number
23-7237919

Name(s) as shown on return

The Eugene McDermott Foundation

Form 990PF - Part I - Line 23 - Other Expenses Schedule

Statement #103~

Description	Revenue and expenses	Net investment	Adjusted net income	Charitable purpose
Postage	305	0	0	305
Office supplies and expense	677	542	0	135
Bank charge	85	68	0	17
Totals	1,067	610	0	457

Federal Supporting Statements

2017 PG01

Employer Identification Number
23-7237919

Name(s) as shown on return

The Eugene McDermott Foundation

Statement #108~

Form 990PF - Part I - Line 16(b) - Accounting Fees Schedule

Description	Revenue and expenses	Net investment	Adjusted net income	Charitable purpose
Owen Barnett, CPA-Form 990-PF	9,350	2,338	0	7,012
Totals	9,350	2,338	0	7,012

Federal Supporting Statements

2017 PG01

Name(s) as shown on return

Employer Identification Number

The Eugene McDermott Foundation

23-7237919

Statement #109~

Form 990PF - Part I - Line 16(c) - Other Professional Fees Schedule

Description	Revenue and expenses	Net investment	Adjusted net income	Charitable purpose
Bank of America-agency fees	250,436	200,349	0	50,087
Angie Shepard-contract admin	22,000	5,500	0	16,500
Totals	<u>272,436</u>	<u>205,849</u>	<u>0</u>	<u>66,587</u>

Federal Supporting Statements

2017 PG01

Employer Identification Number
23-7237919

Name(s) as shown on return

The Eugene McDermott Foundation

Statement #110~

Form 990PF - Part I - Line 18 - Taxes Schedule

Description	Revenue and expenses	Net investment	Adjusted net income	Charitable purpose
Federal excise taxes paid	27,300	0	0	0
Totals	27,300	0	0	0

Federal Supporting Statements**2017 PG01**

Name(s) as shown on return

Employer Identification Number

The Eugene McDermott Foundation

23-7237919

**Form 990PF - Part II - Line 13
Investments: Other Schedule**

Statement #118

<u>Category</u>	<u>Book value (BOY)</u>	<u>Book value (EOY)</u>	<u>FMV (EOY)</u>
Commodities-US Tr acct 7208143	<u>2,097,561</u>	<u>1</u>	<u>253</u>
Total	<u><u>2,097,561</u></u>	<u><u>1</u></u>	<u><u>253</u></u>

Federal Supporting Statements**2017 PG01**

Name(s) as shown on return

Employer Identification Number

The Eugene McDermott Foundation

23-7237919

Form 990PF - Part II - Line 10(a)
Investments: U.S. Government Obligation Schedule

Statement #136

<u>Category</u>	<u>Book Value (BOY)</u>	<u>Book Value (EOY)</u>	<u>FMV (EOY)</u>
Fixed income-US Tr 2629210	<u>13,021,327</u>	<u>15,529,508</u>	<u>15,052,777</u>
Totals	<u>13,021,327</u>	<u>15,529,508</u>	<u>15,052,777</u>

Federal Supporting Statements**2017 PG01**

Name(s) as shown on return

Employer Identification Number

The Eugene McDermott Foundation

23-7237919

**Form 990PF - Part II - Line 10(b)
Investments: Corporate Stock Schedule**

Statement #137

<u>Category</u>	<u>BOY</u>	<u>Book Value</u>	<u>EOY FMV</u>
Equities-US Trust acct 2638963	3,559,478	4,086,055	4,924,395
Equities-US Trust acct 2771053	1,935,413	2,620,975	3,345,737
Equities-US Trust acct 2873842	1,443,108	576,207	724,026
Equities-US Trust acct 7208143	32,071,466	34,761,076	43,209,592
Equities-US Trust acct 3568946	983,496		
Totals	39,992,961	42,044,313	52,203,750

Federal Supporting Statements**2017 PG01**

Name(s) as shown on return

Employer Identification Number

The Eugene McDermott Foundation

23-7237919

**Form 990PF - Part II - Line 10(c)
Investments: Corporate Bond Schedule**

Statement #138

<u>Category</u>	<u>BOY</u>	<u>Book Value</u>	<u>EOY FMV</u>
Fixed income-US Tr 2629210	15,733,155	13,824,603	13,547,721
Fixed income-US Tr 7208143	<u>1,951,601</u>	<u>2,851,601</u>	<u>2,853,117</u>
Totals	<u>17,684,756</u>	<u>16,676,204</u>	<u>16,400,838</u>

Federal Supporting Statements**2017 PG01**

Name(s) as shown on return

Employer Identification Number

The Eugene McDermott Foundation

23-7237919

**Form 990PF - Part III - Line 3
Other Increases Schedule**

Statement #115

Rounding

3**Total**3

Federal Supporting Statements**2017 PG01**

Name(s) as shown on return

Your Social Security Number

The Eugene McDermott Foundation

23-7237919

Form 990PF - Part XV - Line 2
Application Submission Information**Grant Program****Applicant Name**

Mary McDermott Cook

Address1937 Malone Cliff View
Dallas, TX 75208**Telephone**

214-369-9222

Email Address**Form & Content**

No prescribed form required

Submission Deadline

None

Restrictions on Award

None

Attach to Form 990-PF.
The Eugene McDermott Foundation 23-7237919
August 31, 2018

Page 11, Part XV, Line 3(a) - Grants, Contributions Paid During Year

Organization	Organization Status	Purpose of Grant or Contribution	Amount
African American Museum P O Box 150157, Dallas, TX 75315-0157	Public Charity	For Gala	10,000 00
Aging Mind Foundation 1918 N Olive Street #2301, Dallas, TX 75201	Public Charity	In Memory of Bill Booziotis	10,000.00
All Stars Project Inc, 517 North Haskell Ave , Dallas, TX 75246	Public Charity	For Development Programs	10,000 00
Audubon Texas dba Trinity River Audubon Center and Dogwood Canyon Audubon Center 2201 Main St Ste 600, Dallas, TX 75201	Public Charity	For Scissor Tails and Cocktails	10,000 00
Audubon Texas dba Trinity River Audubon Center and Dogwood Canyon Audubon Center 2201 Main St Ste 600, Dallas, TX 75201	Public Charity	For TRAC and Dogwood Canyon	100,000 00
Barbara Bush Foundation For Family Literacy Inc 516 N Adams St, Tallahassee, FL, 32301-1112	Public Charity	For Celebration of Reading	5,000 00
Big Thought 1409 S Lamar Street Suite 1015, Dallas, TX 75215	Public Charity	For Dallas City of Learning	200,000 00
Center For Public Policy Priorities 7020 Easy Wind Dr Ste 200, Austin, TX 78752--2373	Public Charity	For 2018 Legacy Luncheon Honoring Cecilia & Garrett Boone	5,000 00
ChildCareGroup 1420 W Mockingbird Lane Suite 300, Dallas, TX 75247	Public Charity	For Early Childhood Centers	10,000 00
Commit2Dallas 3800 Maple Ave Suite 800, Dallas, TX 75219	Public Charity	For Operations	100,000 00
Communities Foundation of Texas, Inc. 5500 Caruth Haven Lane, Dallas, TX 75225	Public Charity	For City Lab High School	25,000 00
Crandall Band Boosters, Inc. P O Box 461, Crandall, TX 75114-0461	Public Charity	For Scholarships	5,000 00
Creativity Unites Dallas 3106 Herbert Street, Dallas, TX 75212	Public Charity	For Urban Youth Farm	10,000 00
Crohn's & Colitis Foundation of America 12801 N Central Expressway, Ste 530, Dallas, TX 75243	Public Charity	For Texas Camp Oasis	5,000 00

Attach to Form 990-PF

The Eugene McDermott Foundation 23-7237919
August 31, 2018

Page 11, Part XV, Line 3(a) - Grants, Contributions Paid During Year

Organization	Organization Status	Purpose of Grant or Contribution	Amount
Dallas Afterschool Network 3900 Willow St Ste 110, Dallas, TX 75226	Public Charity	For Operations	50,000.00
Dallas Children's Theater, Inc 5938 Skillman, Dallas, TX 75231-7608	Public Charity	For Student Matinee Program	10,000.00
Dallas Foundation A TX Nonprofit Corporation 3963 Maple Ave #390, Dallas, TX 75219	Public Charity	For Rogen Russell Scholarship	50,000.00
Dallas Historical Society Hall of State Fair Park P.O Box 150038, Dallas, TX 75315-0038	Public Charity	For Awards in Excellence honoring Helen Hobbs, MD and Jonathon Cohen, PhD	10,000.00
Dallas Historical Society Hall of State Fair Park P.O Box 150038, Dallas, TX 75315-0038	Public Charity	For Three Bridges Across the Trinity	100,000.00
Dallas Mission for Life, Inc dba Dallas Life P.O Box 130116, Dallas, TX 75313	Public Charity	For Operations	10,000.00
Dallas Museum of Art 1717 N Harwood, Dallas, TX 75201	Public Charity	For Art in Bloom	10,000.00
Dallas Museum of Art 1717 N Harwood, Dallas, TX 75201	Public Charity	For Arts and Letters Live	10,000.00
Dallas Museum of Art 1717 N Harwood, Dallas, TX 75201	Public Charity	For Art Ball	50,000.00
Dallas Symphony Association, Inc 2301 Flora Street, Dallas, TX 75201	Public Charity	For Savor the Symphony	15,000.00
Dallas Symphony Association, Inc. 2301 Flora Street, Dallas, TX 75201	Public Charity	For Gala	12,500.00
Dallas Symphony Association, Inc 2301 Flora Street, Dallas, TX 75201	Public Charity	For Welcome New Maestro	100,000.00
Dallas Theater Center 2400 Flora Street, Dallas, TX 75201	Public Charity	For Kevin Moriarty Artistic Directors	500,000.00
Dallas Zoological Society 650 S R L Thornton Freeway, Dallas, TX 75203	Public Charity	For 2018 Zoo to Do	100,000.00
Dallas Zoological Society 650 S R L Thornton Freeway, Dallas, TX 75203	Public Charity	For Zoo to Do	100,000.00
Encore Park Dallas 1835 Young Street, Dallas, TX 75201	Public Charity	For The Studio at 508 Park	250,000.00

Attach to Form 990-PF
The Eugene McDermott Foundation 23-7237919
August 31, 2018

Page 11, Part XV, Line 3(a) - Grants, Contributions Paid During Year

Organization	Organization Status	Purpose of Grant or Contribution	Amount
Equest P O Box 171779, Dallas, TX 75217	Public Charity	For Operations	5,000 00
Faith Temple Church Glenn Heights, TX	Public Charity	In Honor of First Lady Lucinda Jackson	200,000 00
Friends of Barack Obama Male Leadership Academy P O Box 398455, Dallas, TX 75241	Public Charity	For Scholarships	25,000 00
Friends of Lynden B Johnson National Historical Park P.O. Box 1831, Johnson City, TX 78636-1831	Public Charity	To Honor Luci Baines Johnson	5,000 00
Good Shephard Episcopal school 11110 Midway Road, Dallas, TX 75229	Public Charity	For SPARQ on Wheels Program	25,000 00
High-Tech High Heels 12002 Lueders Ln , Dallas, TX 75230-2373	Public Charity	For Challenge Grant	50,000 00
Hockaday School 11600 Welch Rd , Dallas, TX 75229-2913	Public Charity	For Scholarships	20,000 00
Hope Supply Co 10480 Shady Trail Suite 104, Dallas, TX 75220	Public Charity	For Critical Needs Program	5,000.00
Jubilee Park & Community Center Corporation 917 Bank Street, Dallas, TX 75223	Public Charity	For Operations	15,000 00
Kick Drugs Out of America Foundation 10222 Westheimer Road, Houston, TX 77042	Public Charity	In Honor of Heda Dowd	5,000 00
Mane Gait 3160 N Custer Rd , McKinney, TX 75071	Public Charity	For Gaitway to Brain	5,000 00
Muscular Dystrophy Association Operations Center 6470 E Grant Road Suite 170, Tucson, AZ 85715-3800	Public Charity	An Evening of Education & Hope Honoring Mary Lynn McEntire	5,000 00
Museum of Modern Art 11 West 53rd Street, New York, NY 10019	Public Charity	For International Council Endowment for Exhibitions And Publications	25,000 00
My Possibilities 1631 Dorchester Drive, Plano, TX 75075	Public Charity	For New Camps	100,000 00
Nasher Sculpture Center 2001 Flora Street, Dallas, TX 75201	Public Charity	For 2018 Nasher Prize	150,000 00
National Council of Jewish Women Inc 6025 Royal Lane #219-9, Dallas, TX 75230	Public Charity	To Expand Children's Programs	10,000 00

Attach to Form 990-PF
The Eugene McDermott Foundation 23-7237919
August 31, 2018

Page 11, Part XV, Line 3(a) - Grants, Contributions Paid During Year

Organization	Organization Status	Purpose of Grant or Contribution	Amount
National Trust for Historic Preservation 535 16th Street, Washington, DC 80202	Public Charity	In Honor of Dan Patterson	10,000 00
North Texas Food Bank 3677 Mapleshade Ln , Plano, TX 75075	Public Charity	For Capital Campaign	500,000 00
North Texas Public Broadcasting, Inc 3000 Harry Hines Blvd , Dallas, TX 75201-1098	Public Charity	For Art and Seek	100,000 00
Opera San Jose Incorporated 2149 Paragon Dr , San Jose, CA 95131-1312	Public Charity	For Smaller Creation of Moby Dick Altshuler & Ross Perot	25,000 00
Parish Episcopal School 4101 Sigma Rd , Dallas, TX 75244	Public Charity	For Scholarships	20,000 00
Parkland Foundation 1341 W. Mockingbird Ln. Suite 1100E, Dallas, TX 75247	Public Charity	For New Comprehensive Breast Cancer	1,000,000 00
Readers 2 Leaders Project P O Box 195076, Dallas, TX 75219	Public Charity	For Programs	25,000 00
Resource Center of Dallas, Inc 5750 Cedar Springs Road, Dallas, TX 75235-6802	Public Charity	For Youth First Program	5,000 00
Retiree America 5706 E Mockingbird Lane Ste. 115, Dallas, TX 75206-5461	Public Charity	For Rebranding	25,000.00
Southwestern Medical Foundation 3889 Maple Ave Ste 100, Dallas, TX 75219-3210	Public Charity	For The Cary Council in Honor of Grace Ellen Cook	25,000.00
SPARK! 1409 S Lamar Street Ste 004, Dallas, TX 75215	Public Charity	For Operations	10,000 00
St Mark's School of Texas 10600 Preston Rd , Dallas, TX 75230-4047	Public Charity	For Redo of the McDermott Science Building	250,000 00
Suicide and Crisis Center of North Texas 2808 Swiss Ave , Dallas, TX 75204	Public Charity	For Teens Can Survive Program	5,000 00
TACA, Inc 1722 Routh Street Ste. 115, Dallas, TX 75201	Public Charity	For Silver Cup Award Luncheon Honoring Julie Hersh & Don Stone	15,000 00
Teach for America, Inc 600 North Pearl Street Ste 2300, Dallas, TX 75206	Public Charity	For 2020 Impact Team	100,000 00
Texas 2036 3953 Maple Ave , Dallas, TX 75219-3202	Public Charity	For Strategic Plan Funding	50,000 00

Attach to Form 990-PF
The Eugene McDermott Foundation 23-7237919
August 31, 2018

Page 11, Part XV, Line 3(a) - Grants, Contributions Paid During Year

Organization	Organization Status	Purpose of Grant or Contribution	Amount
Texas Ballet Theater, Inc 1540 Mall Circle, Fort Worth, TX 76116	Public Charity	For 55th Anniversary	55,000 00
Texas Scottish Rite Hospital for Crippled Children 2222 Welborn Street, Dallas, TX 75219-3924	Public Charity	For Treasure Street	5,000 00
Texas Tree Foundation 2100 Ross Avenue, Dallas, TX 75201-2739	Public Charity	For Complete Master Plan for Landscaping at UTSW Parkland Children's Medical Center	500,000 00
Texas Winds Musical Outreach, Inc 6211 W Northwest Hwy, Ste C250-B, Dallas, TX 75225	Public Charity	For Concerts for Seniors	5,000 00
The Dallas Opera 2403 Flora Street Ste 500, Dallas, TX 75201	Public Charity	For Operations	500,000 00
The Dallas Opera 2403 Flora Street Ste 500, Dallas, TX 75201	Public Charity	For First Sight First Night	10,000 00
The Stewpot of First Presbyterian Church 1835 Young Street, Dallas, TX 75201	Public Charity	To Honor Reverend Bruce Buchanan's 30 Years	30,000 00
Trinity Commons Foundation 60110 Desco, Dallas, TX 75225	Public Charity	For Annual Luncheon	10,000 00
U S A Film Festival 6116 N Central Expressway Ste 105, Dallas, TX 75206	Public Charity	For KidFilm	6,000 00
United Negro College Fund 501 Elm Street Ste 700, Dallas, TX 75202	Public Charity	For Mayor's Masked Ball	10,000 00
United Way of Metropolitan Dallas, Inc 1800 N Lamar, Dallas, TX 75202	Public Charity	For Ground Floor Program	100,000 00
University of Texas at Austin P O Box 7726, Austin, TX 78713-7726	Public Charity	For Lady Bird Johnson Wildflower Center	50,000 00
University of Texas at Austin P O Box 7726, Austin, TX 78713-7726	Public Charity	For Blanton Museum Ellsworth Kelly Opening	50,000 00
University of Texas at Dallas 800 West Campbell Rd HH30, Richardson, TX 75080	Public Charity	For Center for Brain Health Legacy Award Dinner Honoring Margaret McDermott	25,000 00
University of Texas at Dallas 800 West Campbell Rd. HH30, Richardson, TX 75080	Public Charity	For UT Dallas Polycraft World Initiative	60,000 00
Urban Teachers 1825 Market Center Blvd. Ste. 320, Dallas, TX 75207	Public Charity	For Operations	30,000 00

Attach to Form 990-PF
The Eugene McDermott Foundation 23-7237919
August 31, 2018

Page 11, Part XV, Line 3(a) - Grants, Contributions Paid During Year

Organization	Organization Status	Purpose of Grant or Contribution	Amount
Village Tech Schools 402 W Danielale Rd , Duncanville, TX 75137-3928	Public Charity	For New Campus Site	40,000.00
Vogel Alcove Childcare Center for the Homeless P O Box 150948, Dallas, TX 75315-0948	Public Charity	For Early Program	25,000.00
Volunteers of America, Inc. 2906 Swiss Ave, Dallas, TX 75204-5962	Public Charity	For Resolana	30,000.00
Zan Wesley Holmes Jr Community Outreach Center 2606 Martin Luther King Blvd Ste 202, Dallas, TX 75215	Public Charity	In Honor of Zan Holmes	10,000.00
			<u>6,248,500.00</u>