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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.

▶ Go to *www.irs.gov/Form990PF* for instructions and the latest information.

OMB No. 1545-0052

**2018**

Open to Public Inspection

**For calendar year 2018 or tax year beginning , 2018, and ending , 20**

Name of foundation: Phillips Family Foundation

A Employer identification number: 75-0590214

Number and street (or P.O box number if mail is not delivered to street address): P.O. Box 17149 | Room/suite:

B Telephone number (see instructions): (713)784-3204

City or town, state or province, country, and ZIP or foreign postal code: Sugar Land TX 77496-7149

C If exemption application is pending, check here ▶ ☐

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

D 1. Foreign organizations, check here ▶ ☐

2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

H Check type of organization: ☒ Section 501(c)(3) exempt private foundation 04 ☐ 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) ▶ $ 30,390,056.

J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) (Part I, column (d) must be on cash basis.)

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

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

| | | (a) Revenue and expenses per books | (b) Net investment income | (c) Adjusted net income | (d) Disbursements for charitable purposes (cash basis only) |
|---|---|---|---|---|---|
| 1 | Contributions, gifts, grants, etc., received (attach schedule) | 11,039,311. | | | |
| 2 | Check ▶ ☐ if the foundation is not required to attach Sch. B | | | | |
| 3 | Interest on savings and temporary cash investments | 57,653. | 57,653. | 57,653. | |
| 4 | Dividends and interest from securities | 807,141. | 807,141. | 807,141. | |
| 5a | Gross rents | | | | |
| b | Net rental income or (loss) | | | | |
| 6a | Net gain or (loss) from sale of assets not on line 10 | 2,387,653. | | | |
| b | Gross sales price for all assets on line 6a 19,059,253. | | L-6a Stmt | | |
| 7 | Capital gain net income (from Part IV, line 2) | | 2,387,653. | | |
| 8 | Net short-term capital gain | | | 0. | |
| 9 | Income modifications | | | | |
| 10a | Gross sales less returns and allowances | | | | |
| b | Less: Cost of goods sold | | | | |
| c | Gross profit or (loss) (attach schedule) | | | | |
| 11 | Other income (attach schedule) See Stmt | 35,948. | 1,132. | | |
| 12 | **Total.** Add lines 1 through 11 | 14,327,706. | 3,253,579. | 864,794. | |
| 13 | Compensation of officers, directors, trustees, etc. | | | | |
| 14 | Other employee salaries and wages | | | | |
| 15 | Pension plans, employee benefits | | | | |
| 16a | Legal fees (attach schedule) | | | | |
| b | Accounting fees (attach schedule) | 13,461. | | | |
| c | Other professional fees (attach schedule) L-16c Stmt | 149,645. | 149,645. | | |
| 17 | Interest | | | | |
| 18 | Taxes (attach schedule) (see instructions) See Stmt | 5,224. | 10,392. | | |
| 19 | Depreciation (attach schedule) and depletion | | | | |
| 20 | Occupancy | | | | |
| 21 | Travel, conferences, and meetings | | | | |
| 22 | Printing and publications | | | | |
| 23 | Other expenses (attach schedule) See Stmt | 59,460. | 59,391. | | |
| 24 | **Total operating and administrative expenses.** Add lines 13 through 23 | 227,790. | 219,428. | | |
| 25 | Contributions, gifts, grants paid | 2,154,862. | | | 2,154,862. |
| 26 | **Total expenses and disbursements.** Add lines 24 and 25 | 2,382,652. | 219,428. | | 2,154,862. |
| 27 | Subtract line 26 from line 12: | | | | |
| a | **Excess of revenue over expenses and disbursements** | 11,945,054. | | | |
| b | **Net investment income** (if negative, enter -0-) | | 3,034,151. | | |
| c | **Adjusted net income** (if negative, enter -0-) | | | 864,794. | |

Revenue

Operating and Administrative Expenses

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**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 | 1,027,096. | 1,146,010. | 1,146,010. |
| | 2 | Savings and temporary cash investments | | | |
| | 3 | Accounts receivable ▶ | | | |
| | | Less: allowance for doubtful accounts ▶ | | | |
| | 4 | Pledges receivable ▶ | | | |
| | | Less: allowance for doubtful accounts ▶ | | | |
| | 5 | Grants receivable | | | |
| | 6 | Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions) | 9,640. | 18,660. | 18,660. |
| | 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) | | | |
| | b | Investments—corporate stock (attach schedule) L-10b Stmt | 3,080,972. | 5,436,190. | 5,302,664. |
| | c | Investments—corporate bonds (attach schedule) | | | |
| | 11 | Investments—land, buildings, and equipment: basis ▶ | | | |
| | | Less: accumulated depreciation (attach schedule) ▶ | | | |
| | 12 | Investments—mortgage loans | | | |
| | 13 | Investments—other (attach schedule) L-13 Stmt | 17,763,672. | 24,483,996. | 23,891,099. |
| | 14 | Land, buildings, and equipment: basis ▶ | | | |
| | | Less: accumulated depreciation (attach schedule) ▶ | | | |
| | 15 | Other assets (describe ▶ L-15 Stmt ) | 0. | 31,623. | 31,623. |
| | 16 | **Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I) | 21,881,380. | 31,116,479. | 30,390,056. |
| Liabilities | 17 | Accounts payable and accrued expenses | | 5,000. | |
| | 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) | | 5,000. | |
| Net Assets or Fund Balances | | **Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26, and lines 30 and 31.** | | | |
| | 24 | Unrestricted | | | |
| | 25 | Temporarily restricted | | | |
| | 26 | Permanently restricted | | | |
| | | **Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.** | | | |
| | 27 | Capital stock, trust principal, or current funds | 21,881,380. | 31,111,479. | |
| | 28 | Paid-in or capital surplus, or land, bldg., and equipment fund | | | |
| | 29 | Retained earnings, accumulated income, endowment, or other funds | | | |
| | 30 | **Total net assets or fund balances** (see instructions) | 21,881,380. | 31,111,479. | |
| | 31 | **Total liabilities and net assets/fund balances** (see instructions) | 21,881,380. | 31,116,479. | |

**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 | 21,881,380. |
| 2 | Enter amount from Part I, line 27a | 2 | 11,945,054. |
| 3 | Other increases not included in line 2 (itemize) ▶ | 3 | |
| 4 | Add lines 1, 2, and 3 | 4 | 33,826,434. |
| 5 | Decreases not included in line 2 (itemize) ▶ See Statement | 5 | 2,714,955. |
| 6 | Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 | 6 | 31,111,479. |

## 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 | LPL 3600 - See Statement Attached | P | 06/30/2018 | 12/31/2018 |
| b | Schwab 3049 - See Statement Attached | P | 06/30/2018 | 12/31/2018 |
| c | Schwab 6454 - See Statement Attached | P | 06/30/2018 | 12/31/2018 |
| d | Schwab 2337 - See Statement Attached | P | 06/30/2018 | 12/31/2018 |
| e | See Statement | | | |

| | (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 | 8,115,504. | | 8,380,068. | -264,564. |
| b | 512,168. | | 529,644. | -17,476. |
| c | 47,988. | | 30,644. | 17,344. |
| d | 220,234. | | 235,416. | -15,182. |
| e | 10,163,359. | | 7,495,828. | 2,667,531. |

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 | | | | -264,564. |
| b | | | | -17,476. |
| c | | | | 17,344. |
| d | | | | -15,182. |
| e | | | | 2,667,531. |

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** 2,387,653.

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** -270,797.

## 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)) |
|---|---|---|---|
| 2017 | 3,932,431. | 23,222,383. | 0.169338 |
| 2016 | 2,185,125. | 19,570,992. | 0.111651 |
| 2015 | 2,471,227. | 15,762,500. | 0.156779 |
| 2014 | 1,598,836. | 12,058,652. | 0.132588 |
| 2013 | 1,438,467. | 10,321,943. | 0.139360 |

| | | | |
|---|---|---|---|
| 2 | **Total** of line 1, column (d) | 2 | 0.709716 |
| 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 | 0.141943 |
| 4 | Enter the net value of noncharitable-use assets for 2018 from Part X, line 5 | 4 | 30,288,111. |
| 5 | Multiply line 4 by line 3 | 5 | 4,299,185. |
| 6 | Enter 1% of net investment income (1% of Part I, line 27b) | 6 | 30,342. |
| 7 | Add lines 5 and 6 | 7 | 4,329,527. |
| 8 | Enter qualifying distributions from Part XII, line 4 | 8 | 2,154,862. |

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

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

| | | | |
|---|---|---|---|
| 1a | Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ________ (attach copy of letter if necessary—see instructions) | | |
| b | Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b | 1 | 60,683. |
| 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 | 60,683. |
| 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 | 60,683. |
| 6 | Credits/Payments: | | |
| a | 2018 estimated tax payments and 2017 overpayment credited to 2018 — 6a: 8,360. | | |
| b | Exempt foreign organizations—tax withheld at source — 6b: | | |
| c | Tax paid with application for extension of time to file (Form 8868) — 6c: 56,000. | | |
| d | Backup withholding erroneously withheld — 6d: | | |
| 7 | Total credits and payments. Add lines 6a through 6d | 7 | 64,360. |
| 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 | 3,677. |
| 11 | Enter the amount of line 10 to be: **Credited to 2019 estimated tax** ▶ 3,677. **Refunded** ▶ | 11 | |

**Part VII-A Statements Regarding Activities**

| | | | Yes | No |
|---|---|---|---|---|
| 1a | During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign? | 1a | | X |
| b | Did it spend more than $100 during the year (either directly or indirectly) for political purposes? See the instructions for the definition | 1b | | X |
| | If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities. | | | |
| c | Did the foundation file **Form 1120-POL** for this year? | 1c | | X |
| d | Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ ________ **(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. | 2 | | X |
| 3 | Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes | 3 | | X |
| 4a | Did the foundation have unrelated business gross income of $1,000 or more during the year? | 4a | X | |
| b | If "Yes," has it filed a tax return on **Form 990-T** for this year? | 4b | X | |
| 5 | Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by *General Instruction T.* | 5 | | X |
| 6 | Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument? | 6 | X | |
| 7 | Did the foundation have at least $5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV | 7 | X | |
| 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 | 8b | X | |
| 9 | Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2018 or the tax year beginning in 2018? See the instructions for Part XIV. If "Yes," complete Part XIV | 9 | | X |
| 10 | Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses | 10 | | X |

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**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 ▶ N/A

14 The books are in care of ▶ Kathy Lopez Telephone no. ▶ (713)659-6100

Located at ▶ 1100 Louisiana, Ste 4900 Houston TX ZIP+4 ▶ 77002

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041**—check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ 15

| | | | Yes | No |
|---|---|---|---|---|
| 16 | At any time during calendar year 2018, 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 | | |
| | 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 2018? | 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 2018, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2018? ☐ Yes ☒ No | | | |
| | If "Yes," list the years ▶ 20____, 20____, 20____, 20____ | | | |
| b | Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions.) | 2b | | |
| c | If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ 20____, 20____, 20____, 20____ | | | |
| 3a | Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No | | | |
| b | If "Yes," did it have excess business holdings in 2018 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 2018.) | 3b | | |
| 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 2018? | 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 | 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? | ☐ 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 | | X |
| | 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? | 7b | | X |
| 8 | Is the foundation subject to the section 4960 tax on payment(s) of more than $1,000,000 in remuneration or excess parachute payment(s) during the year? | ☐ Yes ☐ No | | |

**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 |
|---|---|---|---|---|
| D. Martin Phillips<br>1100 Louisiana, Suite 4900 Houston, TX 77002 | President<br>1.00 | 0. | 0. | 0. |
| Liane M. Phillips<br>1100 Louisiana, Suite 4900 Houston, TX 77002 | Secretary<br>1.00 | 0. | 0. | 0. |
| Connor L. Phillips<br>1100 Louisiana, Suite 4900 Houston, TX 77002 | Director<br>1.00 | 0. | 0. | 0. |
| Callie M. Phillips<br>1100 Louisiana, Suite 4900 Houston TX 77002 | Director<br>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 |
|---|---|---|
| None | | |
| | | |
| | | |
| | | |
| | | |
| **Total** number of others receiving over $50,000 for professional services ▶ | | 0 |

**Part IX-A Summary of Direct Charitable Activities**

| List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc. | Expenses |
|---|---|
| 1 N/A | 0. |
| 2 | |
| 3 | |
| 4 | |

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

| Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2. | Amount |
|---|---|
| 1 | |
| 2 | |
| All other program-related investments. See instructions. | |
| 3 | |
| **Total.** Add lines 1 through 3 ▶ | |

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

| | | | |
|---|---|---|---|
| 1 | Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes: | | |
| a | Average monthly fair market value of securities | 1a | 29,895,809. |
| b | Average of monthly cash balances | 1b | 853,542. |
| c | Fair market value of all other assets (see instructions) | 1c | |
| d | **Total** (add lines 1a, b, and c) | 1d | 30,749,351. |
| 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 | |
| 3 | Subtract line 2 from line 1d | 3 | 30,749,351. |
| 4 | Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions) | 4 | 461,240. |
| 5 | **Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4 | 5 | 30,288,111. |
| 6 | **Minimum investment return.** Enter 5% of line 5 | 6 | 1,514,406. |

**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 | 1,514,406. |
| 2a | Tax on investment income for 2018 from Part VI, line 5 | 2a | 60,683. | | |
| b | Income tax for 2018. (This does not include the tax from Part VI.) | 2b | | | |
| c | Add lines 2a and 2b | | | 2c | 60,683. |
| 3 | Distributable amount before adjustments. Subtract line 2c from line 1 | | | 3 | 1,453,723. |
| 4 | Recoveries of amounts treated as qualifying distributions | | | 4 | |
| 5 | Add lines 3 and 4 | | | 5 | 1,453,723. |
| 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 | 1,453,723. |

**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 | 2,154,862. |
| 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 | 2,154,862. |
| 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 | 0. |
| 6 | **Adjusted qualifying distributions.** Subtract line 5 from line 4 | 6 | 2,154,862. |

**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 2017 | (c) 2017 | (d) 2018 |
|---|---|---|---|---|---|---|
| 1 | Distributable amount for 2018 from Part XI, line 7 | | | | | 1,453,723. |
| 2 | Undistributed income, if any, as of the end of 2018: | | | | | |
| a | Enter amount for 2017 only | | | | | |
| b | Total for prior years: 20___, 20___, 20___ | | | | | |
| 3 | Excess distributions carryover, if any, to 2018: | | | | | |
| a | From 2013 | 968,099. | | | | |
| b | From 2014 | 1,032,782. | | | | |
| c | From 2015 | 1,125,500. | | | | |
| d | From 2016 | 1,276,911. | | | | |
| e | From 2017 | 2,781,942. | | | | |
| f | **Total** of lines 3a through e | | 7,185,234. | | | |
| 4 | Qualifying distributions for 2018 from Part XII, line 4. ▶ $ 2,154,862. | | | | | |
| a | Applied to 2017, 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 2018 distributable amount | | | | | 1,452,883. |
| e | Remaining amount distributed out of corpus | | 701,979. | | | |
| 5 | Excess distributions carryover applied to 2018 (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 | | 7,887,213. | | | |
| b | Prior years' undistributed income. Subtract line 4b from line 2b | | | 0. | | |
| c | Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed | | | | | |
| d | Subtract line 6c from line 6b. Taxable amount—see instructions | | | 0. | | |
| e | Undistributed income for 2017. Subtract line 4a from line 2a. Taxable amount—see instructions | | | | 0. | |
| f | Undistributed income for 2018. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2019 | | | | | 840. |
| 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 2013 not applied on line 5 or line 7 (see instructions) | | 968,099. | | | |
| 9 | **Excess distributions carryover to 2019.** Subtract lines 7 and 8 from line 6a | | 6,919,114. | | | |
| 10 | Analysis of line 9: | | | | | |
| a | Excess from 2014 | 1,032,782. | | | | |
| b | Excess from 2015 | 1,125,500. | | | | |
| c | Excess from 2016 | 1,276,911. | | | | |
| d | Excess from 2017 | 2,781,942. | | | | |
| e | Excess from 2018 | 701,979. | | | | |

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2018, enter the date of the ruling . . . . . . ▶

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

| | Tax year | Prior 3 years | | | |
|---|---|---|---|---|---|
| | (a) 2018 | (b) 2017 | (c) 2016 | (d) 2015 | (e) Total |
| 2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed | | | | | |
| b 85% of line 2a | | | | | |
| c Qualifying distributions from Part XII, line 4 for each year listed | | | | | |
| d Amounts included in line 2c not used directly for active conduct of exempt activities | | | | | |
| e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c | | | | | |
| 3 Complete 3a, b, or c for the alternative test relied upon: | | | | | |
| a "Assets" alternative test—enter: | | | | | |
| (1) Value of all assets | | | | | |
| (2) Value of assets qualifying under section 4942(j)(3)(B)(i) | | | | | |
| b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed | | | | | |
| c "Support" alternative test—enter: | | | | | |
| (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) | | | | | |
| (2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) | | | | | |
| (3) Largest amount of support from an exempt organization | | | | | |
| (4) Gross investment income | | | | | |

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

1 **Information Regarding Foundation Managers:**

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

D. Martin and Liane M. Phillips

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

None

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

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

a The name, address, and telephone number or email address of the person to whom applications should be addressed:

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

c Any submission deadlines:

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

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

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

| Recipient<br>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 Statement Attached | | | | |
| | | Public | | 2,154,862. |
| **Total** ▶ 3a | | | | 2,154,862. |
| **b** *Approved for future payment* | | | | |
| **Total** ▶ 3b | | | | |

## Part XVI-A Analysis of Income-Producing Activities

| Enter gross amounts unless otherwise indicated. | Unrelated business income | | Excluded by section 512, 513, or 514 | | (e) Related or exempt function income (See instructions.) |
|---|---|---|---|---|---|
| | (a) Business code | (b) Amount | (c) Exclusion code | (d) Amount | |
| 1 Program service revenue: | | | | | |
| a | | | | | |
| b | | | | | |
| c | | | | | |
| d | | | | | |
| e | | | | | |
| f | | | | | |
| g Fees and contracts from government agencies | | | | | |
| 2 Membership dues and assessments | | | | | |
| 3 Interest on savings and temporary cash investments | | | 14 | 57,653. | |
| 4 Dividends and interest from securities | | | 15 | 807,141. | |
| 5 Net rental income or (loss) from real estate: | | | | | |
| a Debt-financed property | | | | | |
| b Not debt-financed property | | | | | |
| 6 Net rental income or (loss) from personal property | | | | | |
| 7 Other investment income | | | | | |
| 8 Gain or (loss) from sales of assets other than inventory | | | 18 | 2,387,653. | |
| 9 Net income or (loss) from special events | | | | | |
| 10 Gross profit or (loss) from sales of inventory | | | | | |
| 11 Other revenue: a | | | | | |
| b | | | | | |
| c | | | | | |
| d | | | | | |
| e | | | | | |
| 12 Subtotal. Add columns (b), (d), and (e) | | | | 3,252,447. | |

**13 Total.** Add line 12, columns (b), (d), and (e) . . . . . 13 3,252,447.

(See worksheet in line 13 instructions to verify calculations.)

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

| Line No. ▼ | Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). (See instructions.) |
|---|---|
| 1 | N/A |

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

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

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

| (a) Line no | (b) Amount involved | (c) Name of noncharitable exempt organization | (d) Description of transfers, transactions, and sharing arrangements |
|---|---|---|---|
| | | | |

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

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

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

**Sign 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: [signature] Date: 11-11-19 Title: President

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

**Paid Preparer Use Only**

| Print/Type preparer's name | Preparer's signature | Date | Check ☒ if self-employed | PTIN |
|---|---|---|---|---|
| Jay F Rea | [signature] | 11/1/19 | | P00751116 |

Firm's name ▶ Jay F. Rea, CPA — Firm's EIN ▶ 76-0262208

Firm's address ▶ One Sugar Creek Center Boulevard, Suite 970, Sugar Land TX 77478 — Phone no. (281) 565-9200

**Schedule B** (Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

# Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Go to *www.irs.gov/Form990* for the latest information.

OMB No 1545-0047

**2018**

| Name of the organization | Employer identification number |
|---|---|
| Phillips Family Foundation | 75-0590214 |

**Organization type** (check one):

| **Filers of:** | **Section:** |
|---|---|
| Form 990 or 990-EZ | ☐ 501(c)( ) (enter number) organization |
| | ☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation |
| | ☐ 527 political organization |
| Form 990-PF | ☒ 501(c)(3) exempt private foundation |
| | ☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation |
| | ☐ 501(c)(3) taxable private foundation |

Check if your organization is covered by the **General Rule** or a **Special Rule.**

**Note:** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling $5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

**Special Rules**

☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** $5,000; or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering "N/A" in column (b) instead of the contributor name and address), II, and III.

☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling $5,000 or more during the year . . . . . . . . . . . . . . . . . . . . . ▶ $ ____________

**Caution:** An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

| Name of organization | Employer identification number |
|---|---|
| Phillips Family Foundation | 75-0590214 |

**Part I** **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

| (a) No. | (b) Name, address, and ZIP + 4 | (c) Total contributions | (d) Type of contribution |
|---|---|---|---|
| 1 | Donald M. and Liane M Phillips<br>1100 Louisiana, Suite 4900<br>Houston TX 77002 | $ 3,700,000. | Person ☒<br>Payroll ☐<br>Noncash ☐<br>(Complete Part II for noncash contributions.) |
| | | $ | Person ☐<br>Payroll ☐<br>Noncash ☐<br>(Complete Part II for noncash contributions.) |
| | | $ | Person ☐<br>Payroll ☐<br>Noncash ☐<br>(Complete Part II for noncash contributions.) |
| | | $ | Person ☐<br>Payroll ☐<br>Noncash ☐<br>(Complete Part II for noncash contributions.) |
| | | $ | Person ☐<br>Payroll ☐<br>Noncash ☐<br>(Complete Part II for noncash contributions.) |
| | | $ | Person ☐<br>Payroll ☐<br>Noncash ☐<br>(Complete Part II for noncash contributions.) |

| Name of organization | Employer identification number |
|---|---|
| Phillips Family Foundation | 75-0590214 |

**Part II** **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (See instructions.) | (d) Date received |
|---|---|---|---|
| 1 | 17,010.6 sh Harbor International Fund | $ 1,212,055. | 01/18/2018 |

| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (See instructions.) | (d) Date received |
|---|---|---|---|
| 1 | 69,085.95 sh Oakmark International Fund | $ 2,102,976. | 01/18/2018 |

| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (See instructions.) | (d) Date received |
|---|---|---|---|
| 1 | 53,011.42 sh Oakmark Select Fund | $ 2,694,292. | 01/18/2018 |

| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (See instructions.) | (d) Date received |
|---|---|---|---|
| 1 | 1,241.63 sh Primecap Odyssey Growth Fund | $ 49,578. | 01/18/2018 |

| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (See instructions.) | (d) Date received |
|---|---|---|---|
| 1 | 2,282.95 sh Longleaf Partners Smallcap Fund | $ 65,041. | 01/08/2018 |

| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (See instructions.) | (d) Date received |
|---|---|---|---|
| 1 | 857.84 sh Frontier MFG Global Plus Fund | $ 11,049. | 01/18/2018 |

Name of organization: Phillips Family Foundation

Employer identification number: 75-0590214

**Part II** **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (See instructions.) | (d) Date received |
|---|---|---|---|
| 1 | 19,145.157 sh Primecap Odyssey Growth Fund | $ 716,029. | 12/08/2018 |
| 1 | 37,636.660 sh Frontier MFG Global Plus Fund | $ 479,491. | 12/07/2018 |
| | | $ | |
| | | $ | |
| | | $ | |
| | | $ | |

| Name of organization | Employer identification number |
|---|---|
| Phillips Family Foundation | 75-0590214 |

**Part III** ***Exclusively*** **religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than $1,000 for the year from any one contributor.** Complete columns **(a)** through **(e)** and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **$1,000 or less** for the year. (Enter this information once. See instructions.) ▶ $

Use duplicate copies of Part III if additional space is needed.

| (a) No. from Part I | (b) Purpose of gift | (c) Use of gift | (d) Description of how gift is held |
|---|---|---|---|
| | | | |

(e) Transfer of gift

| Transferee's name, address, and ZIP + 4 | Relationship of transferor to transferee |
|---|---|
| | |

| (a) No. from Part I | (b) Purpose of gift | (c) Use of gift | (d) Description of how gift is held |
|---|---|---|---|
| | | | |

(e) Transfer of gift

| Transferee's name, address, and ZIP + 4 | Relationship of transferor to transferee |
|---|---|
| | |

| (a) No. from Part I | (b) Purpose of gift | (c) Use of gift | (d) Description of how gift is held |
|---|---|---|---|
| | | | |

(e) Transfer of gift

| Transferee's name, address, and ZIP + 4 | Relationship of transferor to transferee |
|---|---|
| | |

| (a) No. from Part I | (b) Purpose of gift | (c) Use of gift | (d) Description of how gift is held |
|---|---|---|---|
| | | | |

(e) Transfer of gift

| Transferee's name, address, and ZIP + 4 | Relationship of transferor to transferee |
|---|---|
| | |

Form 990-PF, Page 2, Part II, Line 10, b

| Quantity | Stock Name | Beginning of Year Book Value | End of year Book Value | End of year Fair Market Value |
|---|---|---|---|---|
| 333 64 | 3M Company | 53,407 98 | - | |
| 498 22 | Accenture PLC Ireland Class A | - | 79,610 48 | 70,253 57 |
| 250 00 | Adobe Systems Inc | 21,334 06 | - | |
| 293 00 | Advance Auto Parts | 27,960 39 | - | |
| 203 21 | Affiliated Managers Group Inc | 27,854 48 | - | |
| 159 00 | Align Technology Inc | 27,634 82 | - | |
| 35 00 | Alphabet Inc Shs Cl A | 28,966 52 | | |
| 39 00 | Alphabet Inc Shs Cl A | 29,000 67 | 34,118 98 | 40,753 44 |
| 61 00 | Amazon Com Inc | 21,010 48 | 92,749 27 | 91,620 17 |
| 1,361 46 | American Electric Power Company | 43,433 42 | 98,731 02 | 101,755 59 |
| 927 35 | American Express Company | 51,808 48 | 87,175 81 | 88,394 71 |
| 1,131 11 | American Tower Corp | 17,907 49 | 169,481 36 | 178,930 13 |
| 398 00 | Amgen Inc | - | 79,537 82 | 77,478 66 |
| 779 00 | Analog Devices Inc | - | 71,643 40 | 66,861 57 |
| 576 28 | Apple Inc | 75,450 96 | 94,975 26 | 90,901 93 |
| 238 00 | Aptiv PLC | 15,192 83 | 18,946 67 | 14,653 66 |
| 1,738 00 | Archer Daniels Midland Company | - | 79,850 68 | 71,205 86 |
| 516 00 | Armstrong World Inds | - | 35,809 63 | 30,036 36 |
| 823 23 | Assurant Inc | - | 85,007 78 | 73,630 04 |
| 584 00 | AT&T | 22,564 47 | | |
| 23 00 | Autozone Inc | 11,941 70 | | |
| 429 00 | Baxter International | - | 28,695 75 | 28,236 78 |
| 322 22 | Becton Dickinson & Co | - | 78,764 10 | 72,601 47 |
| 144 00 | Berkshire Hathaway | - | 20,459 79 | 29,401 92 |
| 239 23 | Boeing Co | - | 84,744 41 | 77,151 03 |
| 111 21 | Broadcom Ltd | 15,465 64 | - | |
| 1,666 53 | Brown-Forman Corp CL B | - | 89,477 30 | 79,293 68 |
| 73 00 | Carters Inc | 6,280 62 | | |
| 213 00 | Celgene Corp | 22,517 65 | | |
| 1,564 000 | Centurylink Inc | 24,888 54 | 24,336 66 | 23,694 60 |
| 3,193 235 | Cisco Systems Inc | 41,556 06 | 124,776 58 | 138,362 87 |
| 428 899 | CME Group Inc Cl A | - | 68,104 70 | 80,684 47 |
| 1,588 721 | CMS Energy Corp | - | 71,831 23 | 78,879 99 |
| 1,778 000 | Coca Cola Company | 113,064 63 | 78,232 07 | 84,188 30 |
| 140 33 | Constellation Brands Inc Cl A | 27,747 68 | | |
| 448 00 | Costco Wholesale Corp | 23,649 41 | 102,425 09 | 91,262 08 |
| 365 00 | Crown Holdings Inc | 19,752 95 | | |
| 340 28 | CSX Corp | 18,170 50 | | |
| 343 00 | D X C Technology Com | 26,388 89 | | |
| 277 42 | Danaher Corp | 18,807 75 | | |
| 1,630 00 | Danone | 20,722 65 | 21,215 49 | 22,787 40 |
| 658 20 | Dominion Energy Inc | 47,136 82 | | |
| 439 13 | Dover Corp Common | 31,031 67 | | |
| 1,810 07 | Dowdupont Inc | 41,427 87 | 105,648 93 | 96,802 49 |
| 678 00 | Ebay Inc | 34,385 83 | 22,259 24 | 19,031 46 |
| 505 77 | Ecolab Inc | 17,896 22 | 70,858 86 | 74,525 06 |
| 310 00 | Electronic Arts Inc | - | 28,171 42 | 24,462 10 |
| 274 81 | Estee Lauder Company | 26,528 67 | | |
| 424 00 | Express Scripts Hldg | 32,615 47 | | |
| 1,312 93 | Exxon Mobil Corp | 52,140 55 | 104,993 61 | 89,528 96 |
| 216 00 | Facebook Inc Cl A | 23,263 59 | | |
| 70 00 | Fairfax Financial HL | 25,721 52 | 34,426 98 | 30,826 26 |
| 448 00 | Fedex Corp | 24,321 76 | 101,003 70 | 72,275 84 |
| 188 79 | General Dynamics Corp | 26,547 89 | | |
| 1,328 74 | General Electric Company | 39,051 76 | | |
| 776 000 | General Motors Co | 17,889 57 | 26,655 57 | 25,957 20 |
| 580 78 | Henry Jack & Assoc Inc | - | 74,159 96 | 73,480 28 |
| 1,047 88 | Home Depot Inc | 45,244 15 | 178,432 80 | 180,047 08 |
| 712 00 | Honeywell International Inc | 21,085 35 | 104,648 34 | 94,069 44 |
| 978 97 | Intel Corp | 30,262 85 | | |
| 569 25 | Intercontinental Exchange Inc | 35,753 09 | | |
| 5 23 | Intl Business Machines Corp | 61,000 52 | 632 35 | 594 94 |
| 221 00 | Johnson & Johnson | 59,001 29 | 23,604 55 | 28,520 05 |
| 1,887 01 | JPMorgan Chase & Co | 60,237 51 | 172,301 89 | 184,210 30 |
| 86 00 | Kellogg Company | 6,246 16 | | |
| 560 37 | Kraft Heinz Co | 41,980 36 | | |
| 409 00 | Kennametal Inc CAP | - | 18,021 72 | 13,611 52 |
| 1,697 00 | Liberty Global Inc | 25,767 79 | 48,817 21 | 35,026 08 |
| 33 00 | Liberty Latin America | - | 1,056 67 | 480 81 |
| 268 728 | Lockheed Martin Corp | - | 91,869 89 | 70,363 73 |
| 261 000 | Lowes Companies Inc | - | 22,436 07 | 24,105 96 |
| 427 000 | Magna International Inc | - | 18,959 10 | 19,407 15 |
| 538 90 | McCormick & Company Inc Non Voting | - | 61,021 40 | 75,036 29 |
| 450 60 | McDonalds Corp | 53,616 54 | | |

| Quantity | Stock Name | Beginning of Year Book Value | End of year Book Value | End of year Fair Market Value |
|---|---|---|---|---|
| 675 00 | Medtronic PLC | 68,999 67 | 52,676 97 | 61,398 00 |
| 1,097 24 | Metlife Inc | 42,248 21 | | |
| 2,021 84 | Micorsoft Corp | 54,249 44 | 165,199 43 | 205,358 69 |
| 275 00 | Molson Coors Brewing | 54,526 35 | 26,845 79 | 15,444 00 |
| 280 00 | Motorola Solutions | 32,012 45 | 24,376 36 | 32,211 20 |
| 155 00 | Netflix Inc | 24,704 00 | | |
| 1,042 84 | Nextera Energy Inc | 45,149 39 | 164,243 33 | 181,258 80 |
| 164 13 | NVIDIA Corp | 11,024 89 | | |
| 713 00 | Occidental Petroleum Corp | 49,236 18 | | |
| 866 98 | PepsiCo Inc | - | 100,725 97 | 95,783 61 |
| 2,288 79 | Pfizer Inc | 56,651 88 | 84,269 68 | 99,905 72 |
| 614 69 | Philip Morris Int'l Inc | 62,980 88 | | |
| 1,366 67 | PNC Financial Services Group Inc | - | 193,056 05 | 159,777 03 |
| 18 00 | Priceline Group Inc | 33,892 09 | | |
| 562 36 | Proctor & Gamble Company | 46,471 90 | | |
| 462 81 | Raytheon Co Delaware New | 53,270 18 | 94,101 49 | 70,972 22 |
| 59 00 | Regeneron Pharmaceuticals Inc | 29,658 83 | | |
| 1,630 00 | Resolute Forest Prod | 12,760 57 | 12,760 57 | 12,925 90 |
| 1,646 86 | Royal Dutch Shell PLC | - | 107,677 19 | 98,712 72 |
| 135 00 | S&P Global Inc | - | 25,231 13 | 22,941 90 |
| 307 00 | Salesforce com Inc | 20,119 92 | | |
| 138 00 | Schlumberger Ltd | 8,610 80 | | |
| 561 13 | Simon Property Group Inc New | 60,862 41 | 102,210 75 | 94,264 06 |
| 414 00 | Skyworks Solutions | 18,151 66 | 33,529 53 | 27,746 28 |
| 385 00 | SPX Corp | 3,656 94 | 3,656 94 | 10,783 85 |
| 562 00 | SPX Flow Incorpora | 15,090 82 | 19,085 46 | 17,096 04 |
| 268 00 | Steel Dynamics Inc | 9,663 59 | | |
| 820 47 | Texas Instruments Inc | - | 88,756 31 | 77,534 79 |
| 170 13 | Thermo Fisher Scientific Inc | 23,625 88 | | |
| 261 09 | TJX Companies Inc New | 19,077 67 | | |
| 1,085 99 | U S Bancorp de New | 45,026 81 | | |
| 536 36 | Union Pacific Corp | - | 80,262 55 | 74,140 90 |
| 362 18 | United Health Group Inc | 51,961 97 | 77,488 01 | 90,226 77 |
| 293 00 | United Parcel Service | 31,663 12 | | |
| 852 58 | United Technologies Corp | 51,964 36 | 106,605 70 | 90,782 82 |
| 1,728 95 | Verizon Communications Inc | 56,163 00 | 96,603 23 | 97,201 68 |
| 1,022 61 | V F Corp | - | 83,373 38 | 72,952 99 |
| 738 69 | Visa Inc Class A | 53,108 63 | 87,110 60 | 97,463 28 |
| 2,118 00 | Vodafone Group | 28,806 46 | 57,510 21 | 40,835 04 |
| 349 00 | Vulcan Materials Com | - | 41,837 08 | 34,481 20 |
| 204 00 | Wabtec | 14,250 44 | 15,528 21 | 14,331 00 |
| 1,058 38 | Wal-Mart Stores Inc | 53,980 56 | 90,866 51 | 98,587 63 |
| 887 59 | Walt Disney Co | 77,254 81 | 98,377 94 | 97,323 91 |
| 1,148 04 | WEC Energy Group Inc | - | 73,670 24 | 79,513 18 |
| 1,114 40 | Zoetis Inc Class A | 25,458 50 | 97,871 96 | 95,325 86 |
| | **Total Line 10, b** | **3,080,971.78** | **5,436,190.16** | **5,302,664.35** |

Form 990-PF, Page 2, Part II, Line 13 - Mutual Funds

| Quantity | Stock Name | Beginning of Year Book Value | End of year Book Value | End of year Fair Market Value |
|---|---|---|---|---|
| 113 00 | Berkshire Hathaway | 14,607 48 | - | - |
| 17,537 58 | Blackrock High Yield Bond Instl Cl | 135,766 73 | | |
| 47,182 92 | Blackstone ALT MultiStrategy | - | 509,122 07 | 489,286 92 |
| 17,293 35 | Cohen & Steers Inst | - | 694,774 40 | 678,763 79 |
| 78,075 88 | Dodge & Cox Global Stk | 774,351 67 | 951,111 18 | 861,176 92 |
| 211,586 60 | Dodge & Cox Income Fund | 1,483,870 79 | 2,889,836 00 | 2,805,638 37 |
| 345,664 05 | Doubleline Total Return | 2,094,600 12 | 3,678,827 94 | 3,601,819 38 |
| 127,536 67 | Eagle MLP Strategy Fund | 655,453 94 | 935,647 91 | 729,509 73 |
| 49,158 95 | Elements Emerging Mkts | 189,260 68 | 515,414 08 | 444,888 46 |
| 38,826 09 | Elements International Port | 204,095 37 | 403,143 26 | 358,753 10 |
| 41,346 18 | Elements International Small Cap Port | 169,609 63 | 452,329 51 | 374,596 38 |
| 33,755 05 | Elements US Small Cap | 303,568 19 | 333,603 67 | 325,061 17 |
| 31,193 50 | First Trust Emerging Markets Local Currency Bond | - | 50,713 66 | 51,157 78 |
| 15,587 45 | First Trust Low Duration Opportunities ETF | - | 794,647 36 | 795,739 42 |
| 6,785 90 | First Trust IV Enhanced Short Maturity ETF New | - | 407,329 37 | 406,135 87 |
| 3,133 71 | First Trust TCW Opportunistic Fixed Income | - | 152,909 01 | 154,617 44 |
| 2,195 60 | First Trust IV Tactical High Yield ETF | - | 102,295 36 | 98,472 78 |
| 10,823 81 | First Trust Senior Loan Fund ETF | - | 514,830 91 | 492,699 63 |
| 108,352 96 | Frontier MFG GLBL Plus | - | 1,247,048 72 | 1,192,966 03 |
| 51,932 00 | Goldman Sachs Multi Mgr Alternative Instl CL | 535,934 97 | 535,934 97 | 516,723 40 |
| 13,853 99 | Harbor International | 881,132 18 | | |
| 1,790 61 | Ishares Core MSCI Emerging Markets ETF | 77,561 60 | | |
| 1,043 01 | Ishares MSCI Canada ETF | 27,488 90 | | |
| 762 04 | Ishares MSCI Japan ETF New | 34,309 65 | | |
| 1,382 97 | Ishares MSCI Pacific EX Japan ETF | 58,298 61 | | |
| 231 28 | Ishares MSCI Sweden ETF | 7,192 98 | | |
| 692 00 | Ishares MSCI Switzerland ETF | 22,403 26 | | |
| 2,162 63 | Ishares MSCI UTD Kingdom New ETF | 71,014 04 | | |
| 29,144 63 | Ishares U S Treasury Bond ETF | 729,672 77 | | |
| 10,645 63 | JPMorgan Value Advantage | 322,615 94 | | |
| 20,115 27 | Longleaf Partners Small | 378,175 00 | 548,880 31 | 444,547 49 |
| 31,115 81 | Oakmark Intl Fd Inst | - | 534,194 83 | 636,007 20 |
| 13,615 86 | Oakmark Select Fund | 329,284 39 | 518,669 03 | 465,798 57 |
| 38,660 32 | PIMCO Foreign Bond Hedged Cl P | 403,955 60 | | |
| 30,528 75 | Primecap Odyssey Growth | 343,541 43 | 822,123 15 | 1,060,263 59 |
| 3,865 75 | Proshares Russell 2000 Dividend Growers ETF | 186,854 69 | | |
| 2,388 00 | SPDR Gold Shares ETF | 305,637 42 | | |
| 128,278 30 | Stone Ridge Alt Lending | 854,983 61 | 1,315,189 31 | 1,303,307 56 |
| 34,942 33 | Stone Ridge Reinsurance | 354,035 00 | 354,035 00 | 287,924 76 |
| 63,152 39 | TCW Total Return Cl I | 634,506 97 | | |
| 135,159 05 | Templeton Global Bond | 1,057,017 61 | 1,634,088 74 | 1,520,539 31 |
| 6,680 98 | Vanguard Energy Fund | - | 660,734 15 | 542,294 98 |
| 4,525 26 | Vanguard Intermediate Term Corp Bond ETF | 391,834 57 | | |
| 1,484 75 | Wisdomtree Trust Europe Hedged Equity Fund ETF | 87,931 97 | | |
| | **Total Line 13 - Mutual Funds** | **14,120,567.76** | **21,557,433.90** | **20,638,690.03** |

| Quantity | Stock Name | Beginning of Year Book Value | End of year Book Value | End of year Fair Market Value |
|---|---|---|---|---|
| | **Form 990-PF, Page 2, Part II, Line 13 - Private Partnerships** | | | |
| | Caymus Energy Fund | 654,777 00 | 615,627 00 | 686,221 80 |
| | Elliott International Limited | 98,299 32 | 98,299 32 | 102,737 28 |
| | Mockingbird Corporate Loan Opp Fund | 513,352 00 | 515,265 00 | 510,449 32 |
| 1,036 00 | PMF TEI Fund, LP | 114,689 68 | 89,257 63 | 89,029 87 |
| 383 07 | RGT Growth Capital Real Estate LP | 758,679 00 | 310,021 59 | 296,750 00 |
| 486 09 | RGT Growth Private Equity LP | 681,988 00 | 476,773 00 | 719,625 00 |
| 6,246 350 | Titan Masters International Fund, Ltd K1-10 | 821,318 76 | 821,318 76 | 847,595 26 |
| | **Total Line 13 - Private Partnerships** | **3,643,103 76** | **2,926,562.30** | **3,252,408.53** |
| **Grand Total Line 13** | | **17,763,671.52** | **24,483,996.20** | **23,891,098.56** |
| **GRAND TOTAL ALL INVESTMENTS** | | **20,844,643 30** | **29,920,186.36** | **29,193,762.91** |

| Recipient Name and Address | If recipient is an individual, show any relationship to any foundation manager or substantial contributor | Foundation status of recipient | Purpose of grant or contribution | Person or Business Checkbox / Amount |
|---|---|---|---|---|
| **Austin Recovery**<br>4201 South Congress Suite 202<br>Austin, TX 78745 | N/A | Public | Unrestricted use by Austin Recovery | Person or [ ]<br>Business [X]<br>1,000.00 |
| **Covenant House of Texas**<br>1111 Lovett Boulevard<br>Houston, TX 77006 | N/A | Public | Unrestricted use by Covenant House of Texas | Person or [ ]<br>Business [X]<br>12,500.00 |
| **Cystic Fibrosis Foundation**<br>6931 Arlington Toad Suite 200<br>Bethesda, MD 20814 | N/A | Public | Unrestricted use by Cystic Fibrosis Foundation | Person or [ ]<br>Business [X]<br>27,080.00 |
| **Dress for Success**<br>3310 Eastside Street<br>Houston, TX 77098 | N/A | Public | Unrestricted use by Dress for Success | Person or [ ]<br>Business [X]<br>5,000.00 |
| **Genesys Works**<br>14400 Memorial Drive Suite 200<br>Houston, Texas 77079 | N/A | Public | Unrestricted use by Genesys Works | Person or [ ]<br>Business [X]<br>10,000.00 |
| **Houston Center for Literacy**<br>PO Box 541069<br>Houston, TX 77098 | N/A | Public | Unrestricted use by Houston Center for Literacy | Person or [ ]<br>Business [X]<br>5,000.00 |
| **Houston Livestock Show and Rodeo**<br>8334 Fannin St , Reliant Center<br>Houston, Texas 77054 | N/A | Public | Unrestricted use by Houston Livestock Show and Rodeo | Person or [ ]<br>Business [X]<br>3,850.00 |
| **Intervarsity Christian Fellows**<br>635 Science Dr , PO Box 7895<br>Madison, WI 53707-7895 | N/A | Public | Unrestricted use by Intervarsity Christian Fellows | Person or [ ]<br>Business [X]<br>10,000.00 |
| **Louisiana Tech University**<br>305 Wisteria St<br>Ruston, LA 71272 | N/A | Public | Unrestricted use by Louisiana Tech University | Person or [ ]<br>Business [X]<br>100.00 |
| **LSU Foundation**<br>3838 West Lakeshore Drive<br>Baton Rouge, LA 70808 | N/A | Public | Unrestricted use by LSU Foundation | Person or [ ]<br>Business [X]<br>5,000.00 |
| **Marine Corps Scholarships**<br>909 N Washington St Suite 400<br>Alexandria, VA 22314 | N/A | Public | Unrestricted use by Marine Corps Scholarships | Person or [ ]<br>Business [X]<br>22,000.00 |
| **Memorial Assistance Ministries**<br>1625 Blalock Road<br>Houston, TX 77080 | N/A | Public | Unrestricted use by Memorial Assistance Ministries | Person or [ ]<br>Business [X]<br>25,000.00 |
| **Memorial Drive Presbyterian Church**<br>11612 Memorial Drive<br>Houston, Texas 77024 | N/A | Public | Unrestricted use by Memorial Drive Presbyterian Church | Person or [ ]<br>Business [X]<br>1,200,000.00 |
| **Memorial Hermann Foundation**<br>929 Gessner Suite 2650<br>Houston, TX 77024 | N/A | Public | Unrestricted use by Memorial Hermann Foundation | Person or [ ]<br>Business [X]<br>25,000.00 |
| **One Goal**<br>180 N Wabash Ave No 800<br>Chicago, Illinois 60601 | N/A | Public | Unrestricted use by One Goal | Person or [ ]<br>Business [X]<br>520,000.00 |
| **Passages for Women**<br>7722 Westview<br>Houston, Texas 77055 | N/A | Public | Unrestricted use by Passages for Women | Person or [ ]<br>Business [X]<br>5,000.00 |
| **Presbyterian Children's Home**<br>5920 W William Cannon Drive, Bldg 3 - Suite 100<br>Austin, Texas 78749 | N/A | Public | Unrestricted use by Presbyterian Children's Home | Person or [ ]<br>Business [X]<br>50,000.00 |
| **Reality Ministries**<br>PO Box 242<br>Durham, NC 27702 | N/A | Public | Unrestricted use by Reality Ministries | Person or [ ]<br>Business [X]<br>30,000.00 |
| **Small Steps Nurturing Center**<br>1709 DePelchin<br>Houston, Texas 77007 | N/A | Public | Unrestricted use by Small Steps Nurturing Center | Person or [ ]<br>Business [X]<br>32,800.00 |
| **Stoney Creek Ranch**<br>510 Bering Drive, Suite 100<br>Houston, Texas 77057 | N/A | Public | Unrestricted use by Stoney Creek Ranch | Person or [ ]<br>Business [X]<br>5,200.00 |
| **Sunflower County Freedom Project**<br>PO Box 701<br>Sunflower, MS 38778 | N/A | Public | Unrestricted use by Sunflower County Freedom Project | Person or [ ]<br>Business [X]<br>5,500.00 |
| **Texas State Aquarium**<br>2710 North Shoreline<br>Corpus Christi, TX 78402 | N/A | Public | Unrestricted use by Texas State Aquarium | Person or [ ]<br>Business [X]<br>200.00 |

| Recipient Name and Address | If recipient is an individual, show any relationship to any foundation manager or substantial contributor | Foundation status of recipient | Purpose of grant or contribution | Person or Business Checkbox Amount |
|---|---|---|---|---|
| **The Antioch Partners**<br>11612 Memorial Drive<br>Houston, Texas 77024 | N/A | Public | Unrestricted use by The Antioch Partners | Person or Business [X]<br>20,000 00 |
| **The Broach Foundation**<br>2726 Bissonnet Street Ste 240-602<br>Houston, TX 77005 | N/A | Public | Unrestricted use by The Broach Foundation | Person or Business [X]<br>12,500 00 |
| **The University of Texas MD Anderson Cancer Center**<br>PO Box 4486<br>Houston, TX 77210 | N/A | Public | Unrestricted use by The University of Texas MD Anderson Cancer Cente | Person or Business [X]<br>1,000 00 |
| **Tiger Athletic Foundation**<br>P O Box 711<br>Baton Rouge, LA 70821 | N/A | Public | Unrestricted use by Tiger Athletic Foundation | Person or Business [X]<br>632 00 |
| **Walking Faith Ministry**<br>PO Box 2851<br>Houston, Texas 77402 | N/A | Public | Unrestricted use by Walking Faith Ministry | Person or Business [X]<br>5,000 00 |
| **West Houston Assistance Ministries Inc.**<br>10501 Meadowglen Lane<br>Houston, TX 77042 | N/A | Public | Unrestricted use by West Houston Assistance Ministries Inc | Person or Business [X]<br>5,000 00 |
| **WorkFaith Connection**<br>10120 Northwest Freeway Suite 200<br>Houston, Texas 77092 | N/A | Public | Unrestricted use by WorkFaith Connection | Person or Business [X]<br>100,000 00 |
| **YES Prep Public Schools**<br>6201 Bonhomme Suite 168N<br>Houston, TX 77036 | N/A | Public | Unrestricted use by YES Prep Public Schools | Person or Business [X]<br>10,500 00 |
| **Total** ....... 3a | | | | 2,154,862 |

# Form 990-PF: Return of Private Foundation

## Part IV: Capital Gains and Losses for Tax on Investment Income

Continuation Statement

| (a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.) | (b) How acquired P—Purchase D—Donation | (c) Date acquired | (d) Date sold |
|---|---|---|---|
| LPL 3600 - See Statement Attached | P | 06/30/17 | 12/31/18 |
| Schwab 3049 - See Statement Attached | P | 06/30/17 | 12/31/18 |
| Schwab 3049 - See Statement Attached | P | 06/30/17 | 12/31/18 |
| Schwab 6454 - See Statement Attached | P | 06/30/17 | 12/31/18 |
| Schwab 2337 - See Statement Attached | P | 06/30/17 | 12/31/18 |
| LPL 3600 Capital Gain Distributions | P | 06/30/17 | 12/31/18 |
| Schwab 3049 Capital Gain Distributions | P | 06/30/17 | 12/31/18 |
| Short Term Capital Gain - Partnerships | P | 06/30/18 | 12/31/18 |
| Long Term Capital Gain - Partnerships | P | 06/30/17 | 12/31/18 |

| (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) |
|---|---|---|---|
| 3,041,915. | | 2,510,501. | 531,414. |
| 2,897,289. | | 2,222,268. | 675,021. |
| 3,635,392. | | 2,580,379. | 1,055,013. |
| 39,586. | | 34,247. | 5,339. |
| 176,780. | | 148,433. | 28,347. |
| 4,417. | | 0. | 4,417. |
| 288,824. | | 0. | 288,824. |
| 9,081. | | 0. | 9,081. |
| 70,075. | | 0. | 70,075. |
| **10,163,359.** | 0. | **7,495,828.** | **2,667,531.** |

| Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69 | | | (l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h)) |
|---|---|---|---|
| (i) F.M.V. as of 12/31/69 | (j) Adjusted basis as of 12/31/69 | (k) Excess of col. (i) over col. (j), if any | |
| | | | 531,414. |
| | | | 675,021. |
| | | | 1,055,013. |
| | | | 5,339. |
| | | | 28,347. |
| | | | 4,417. |
| | | | 288,824. |
| | | | 9,081. |
| | | | 70,075. |
| 0. | 0. | 0. | **2,667,531.** |

# Additional information from your Form 990-PF: Return of Private Foundation

## Form 990-PF: Return of Private Foundation

### Other Income

Continuation Statement

| Description | Revenue and Expense per Book | Net Investment Income | Adjusted Net Income |
|---|---|---|---|
| Partnership and Other Income | 1,132. | 1,132. | |
| Nontaxable Nondividend Distributions | 34,816. | | |
| Total | 35,948. | 1,132. | |

## Form 990-PF: Return of Private Foundation

### Taxes

Continuation Statement

| Description | Revenue and Expense per Book | Net Investment Income | Adjusted Net Income | Disbursement for charitable purpose |
|---|---|---|---|---|
| 2017 Federal Excise Tax | -5,168. | | | |
| Foreign Tax | 10,392. | 10,392. | | |
| Total | 5,224. | 10,392. | | |

## Form 990-PF: Return of Private Foundation

### Other Expenses

Continuation Statement

| Description | Revenue and Expense per Book | Net Investment Income | Adjusted Net Income | Disbursement for charitable purpose |
|---|---|---|---|---|
| Bank Fees and misc | 50. | | | |
| Partnership Investment Expenses | 16,281. | 16,281. | | |
| Partnership Nondeductible | 19. | | | |
| Partnership Other Deductions | 43,110. | 43,110. | | |
| Total | 59,460. | 59,391. | | |

## Form 990-PF: Return of Private Foundation

### Other Decreases

Continuation Statement

| Description | Amount |
|---|---|
| Value of Grants Received in Excess of Tax Basis | 2,557,785. |
| Other Unrealized Gain/Loss | 157,170. |
| Total | 2,714,955. |

Form 990-PF
Part I, Lines 16a - 16c

# Legal and Professional Fees

2018

| Name | Employer Identification No |
|---|---|
| Phillips Family Foundation | 75-0590214 |

## Line 16a - Legal Fees

| Name of Provider | Type of Service Provided | Amount Paid Per Books | Net Investment Income | Adjusted Net Income | Disbursements for Charitable Purposes |
|---|---|---|---|---|---|
| Total to Form 990-PF, Part I, Line 16a | | | | | |

## Line 16b - Accounting Fees

| Name of Provider | Type of Service Provided | Amount Paid Per Books | Net Investment Income | Adjusted Net Income | Disbursements for Charitable Purposes |
|---|---|---|---|---|---|
| Total to Form 990-PF, Part I, Line 16b | | | | | |

## Line 16c - Other Professional Fees

| Name of Provider | Type of Service Provided | Amount Paid Per Books | Net Investment Income | Adjusted Net Income | Disbursements for Charitable Purposes |
|---|---|---|---|---|---|
| RGT Advisors | Investment Fees | 71,448. | 71,448. | | |
| LPL Advisors | Investment Fees | 77,668. | 77,668. | | |
| Other from Partnerships | Investment Fees | 529. | 529. | | |
| Total to Form 990-PF, Part I, Line 16c | | 149,645. | 149,645. | | |

| Name | Employer Identification No |
|---|---|
| Phillips Family Foundation | 75-0590214 |

| Line 10a - Investments - US and State Government Obligations: | End of Year State and Local Obligations Book Value | End of Year State and Local Obligations FMV | End of Year US Government Obligations Book Value | End of Year US Government Obligations FMV |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |
| Tot to Fm 990-PF, Pt II, Ln 10a | | | | |

| Line 10b - Investments - Corporate Stock: | End of Year Book Value | End of Year Fair Market Value |
|---|---|---|
| See statement attached | 5,436,190. | 5,302,664. |
| | | |
| | | |
| Totals to Form 990-PF, Part II, Line 10b | 5,436,190. | 5,302,664. |

| Line 10c - Investments - Corporate Bonds: | End of Year Book Value | End of Year Fair Market Value |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| Totals to Form 990-PF, Part II, Line 10c | | |

| Line 12 - Investments - Mortgage loans: | End of Year Book Value | End of Year Fair Market Value |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| Totals to Form 990-PF, Part II, Line 12 | | |

| Line 13 - Investments - Other: | End of Year Book Value | End of Year Fair Market Value |
|---|---|---|
| See Statement Attached | 24,483,996. | 23,891,099. |
| | | |
| | | |
| Totals to Form 990-PF, Part II, Line 13 | 24,483,996. | 23,891,099. |

Form 990-PF
Part II

# Other Assets and Liabilities

2018

| Name | Employer Identification No |
|---|---|
| Phillips Family Foundation | 75-0590214 |

| Line 15 - Other Assets: | Beginning Year Book Value | End of Year Book Value | End of Year Fair Market Value |
|---|---|---|---|
| Funds in transit | 0. | 31,623. | 31,623. |
| Totals to Form 990-PF, Part II, line 15 | 0. | 31,623. | 31,623. |

| Line 22 - Other Liabilities: | Beginning Year Book Value | Ending Year Book Value |
|---|---|---|
| Totals to Form 990-PF, Part II, line 22 | | |

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## Miscellaneous Statement

**2018**

| Name | Identification Number |
|---|---|
| Phillips Family Foundation | 75-0590214 |

| | | |
|---|---|---|
| Amount Due From Director | 18660 | |
| The Foundation made grants to several charities during 2018 that were determined during the preparation of the 2018 Form 990-PF to have had quid-pro-quos that benefited one or more of the directors. The total amount of the quid-pro-quo has been reported as a receivable as of December 31, 2018 and collected from the directors during 2019. | | |
| Total | | |

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