

Form **990-PF**

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

OMB No 1545-0052

2018

Department 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 2018 or tax year beginning , 2018, and ending

LUPE MURCHISON FOUNDATION
16250 KNOLL TRAIL DRIVE #110
DALLAS, TX 75248

A Employer identification number
75-2953224

B Telephone number (see instructions)
(972) 248-2200

C If exemption application is pending, check here **6**

D 1 Foreign organizations, check here

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

E If private foundation status was terminated under section 507(b)(1)(A), check here

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

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

H Check type of organization Section 501(c)(3) exempt private foundation **04**
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, column (c), line 16)
▶ \$ **48,923,404.**

J Accounting method Cash Accrual
 Other (specify) _____
(Part I, column (d) must be on cash basis)

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) |
|--|------------------------------------|---------------------------|-------------------------|---|
|--|------------------------------------|---------------------------|-------------------------|---|

3/4

| | | | | |
|--|------------|-------------|----|--|
| 1 Contributions, gifts, grants, etc., received (attach schedule) | | | | |
| 2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B | | | | |
| 3 Interest on savings and temporary cash investments | 235,687. | 232,341. | | |
| 4 Dividends and interest from securities | 850,432. | 834,819. | | |
| 5a Gross rents | 289,252. | 289,252. | | |
| b Net rental income or (loss) 126,330. | | | | |
| 6a Net gain or (loss) from sale of assets not on line 10 | 2,620,917. | STATEMENT 1 | | |
| b Gross sales price for all assets on line 6a 5,939,460. | | | | |
| 7 Capital gain net income (from Part IV, line 2) | | 1,958,352. | | |
| 8 Net short-term capital gain | | | | |
| 9 Income modifications | | | | |
| 10a Gross sales less returns and allowances 59,718. | | | | |
| b Less Cost of goods sold 75,949. | | | | |
| c Gross profit or (loss) (attach schedule) SEE ST 2 | -16,231. | | | |
| 11 Other income (attach schedule) SEE STATEMENT 3 | -290,058. | 214,320. | | |
| 12 Total Add lines 1 through 11 | 3,689,999. | 3,529,084. | 0. | |

| | | | | |
|---|------------|------------|----|------------|
| 13 Compensation of officers, directors, trustees, etc | 45,698. | 17,137. | | 22,849. |
| 14 Other employee salaries and wages | | | | |
| 15 Pension plans, employee benefits | | | | |
| 16a Legal fees (attach schedule) SEE ST 4 | 4,360. | 960. | | 3,079. |
| b Accounting fees (attach schedule) SEE ST 5 | 81,040. | 45,229. | | 20,739. |
| c Other professional fees (attach schedule) SEE ST 6 | 372,738. | 209,166. | | 129,129. |
| 17 Interest | 59,184. | | | |
| 18 Taxes (attach schedule) (see instructions) SEE ST 7 | 31,311. | 30,715. | | |
| 19 Depreciation (attach schedule) and depletion | 138,145. | 43,680. | | |
| 20 Occupancy | | | | |
| 21 Travel, conferences, and meetings | | | | |
| 22 Printing and publications | 750. | 375. | | |
| 23 Other expenses (attach schedule) SEE STATEMENT 8 | 499,364. | 461,026. | | 17. |
| 24 Total operating and administrative expenses Add lines 13 through 23 | 1,232,590. | 808,288. | | 175,813. |
| 25 Contributions, gifts, grants paid PART XV | 2,375,087. | | | 2,375,087. |
| 26 Total expenses and disbursements. Add lines 24 and 25 | 3,607,677. | 808,288. | 0. | 2,550,900. |
| 27 Subtract line 26 from line 12: | | | | |
| a Excess of revenue over expenses and disbursements | 82,322. | | | |
| b Net investment income (if negative, enter -0-) | | 2,720,796. | | |
| c Adjusted net income (if negative, enter -0-) | | | 0. | |

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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 | | | |
| | 2 | Savings and temporary cash investments | 3,775,891. | 2,802,763. | 2,802,763. |
| | 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 sch) ▶ | | | |
| | | 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) STATEMENT 9 | | 994,692. | 994,692. |
| | b | Investments – corporate stock (attach schedule) STATEMENT 10 | 7,028,852. | 6,861,758. | 6,861,758. |
| | 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) STATEMENT 11 | 41,873,292. | 38,264,191. | 38,264,191. | |
| 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) | 52,678,035. | 48,923,404. | 48,923,404. | |
| Liabilities | 17 | Accounts payable and accrued expenses | | | |
| | 18 | Grants payable | | | |
| | 19 | Deferred revenue | | | |
| | 20 | Loans from officers, directors, trustees, & 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. | |
| Net Assets or Fund Balances | Foundations that follow SFAS 117, check here and complete lines 24 through 26, and lines 30 and 31. <input type="checkbox"/> | | | | |
| | 24 | Unrestricted | | | |
| | 25 | Temporarily restricted | | | |
| | 26 | Permanently restricted | | | |
| | Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/> | | | | |
| | 27 | Capital stock, trust principal, or current funds | 48,005,401. | 48,005,401. | |
| | 28 | Paid-in or capital surplus, or land, bldg, and equipment fund | | | |
| 29 | Retained earnings, accumulated income, endowment, or other funds | 4,672,634. | 918,003. | | |
| 30 | Total net assets or fund balances (see instructions) | 52,678,035. | 48,923,404. | | |
| 31 | Total liabilities and net assets/fund balances (see instructions) | 52,678,035. | 48,923,404. | | |

Part III Analysis of Changes in Net Assets or Fund Balances

| | | | |
|---|--|---|-------------|
| 1 | Total net assets or fund balances at beginning of year – Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return) | 1 | 52,678,035. |
| 2 | Enter amount from Part I, line 27a | 2 | 82,322. |
| 3 | Other increases not included in line 2 (itemize) ▶ | 3 | |
| 4 | Add lines 1, 2, and 3 | 4 | 52,760,357. |
| 5 | Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 12 | 5 | 3,836,953. |
| 6 | Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30 | 6 | 48,923,404. |

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.) |
|--|--|--------------------------------------|----------------------------------|
| 1 a SEE STATEMENT 13 | | | |
| 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 | | | |
| b | | | |
| c | | | |
| d | | | |
| e | | | |

| Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69 | | | (l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h)) |
|---|--------------------------------------|---|---|
| (i) FMV as of 12/31/69 | (j) Adjusted basis as of 12/31/69 | (k) Excess of col. (i) over col. (j), if any | |
| a | | | |
| 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 | 1,958,352. |
| 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 | 0. |

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 | 2,518,302. | 50,713,035. | 0.049658 |
| 2016 | 2,342,396. | 51,132,378. | 0.045810 |
| 2015 | 2,499,610. | 52,897,234. | 0.047254 |
| 2014 | 2,528,106. | 52,443,822. | 0.048206 |
| 2013 | 2,294,307. | 47,008,606. | 0.048806 |

| | | |
|--|---|-------------|
| 2 Total of line 1, column (d) | 2 | 0.239734 |
| 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 | 0.047947 |
| 4 Enter the net value of noncharitable-use assets for 2018 from Part X, line 5 | 4 | 50,011,745. |
| 5 Multiply line 4 by line 3 | 5 | 2,397,913. |
| 6 Enter 1% of net investment income (1% of Part I, line 27b) | 6 | 27,208. |
| 7 Add lines 5 and 6 | 7 | 2,425,121. |
| 8 Enter qualifying distributions from Part XII, line 4 | 8 | 2,550,900. |

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

3

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

Table with 11 rows for excise tax calculations. Includes sub-sections 6a-6d for credits and payments. Total tax due is 0, overpayment is 36,875.

Part VII-A Statements Regarding Activities

Table with 10 rows of activity statements. Includes questions about political activities, unrelated business income, and substantial contributors. Includes handwritten 'TX' and '2'.

Part VII-A Statements Regarding Activities (continued)

| | Yes | No |
|--|-----|----|
| 11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' attach schedule See instructions | | X |
| 12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes,' attach statement See instructions | | X |
| 13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A | X | |
| 14 The books are in care of ▶ <u>J. V. SMITH, P.C.</u> Telephone no ▶ <u>(972) 248-2200</u> Located at ▶ <u>16250 KNOLL TRAIL DRIVE, SUITE 110 DALLAS TX</u> ZIP + 4 ▶ <u>75248</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 N/A ▶ <input type="checkbox"/> | | |
| 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? See the instructions for exceptions and filing requirements for FinCEN Form 114. If 'Yes,' enter the name of the foreign country ▶ | | X |

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

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

| | Yes | No |
|--|-----|-----|
| 1 a During the year, did the foundation (either directly or indirectly) | | |
| (1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | |
| (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| (6) Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| b If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance? See instructions. Organizations relying on a current notice regarding disaster assistance, check here ▶ <input type="checkbox"/> | 1 b | X |
| 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? | 1 c | 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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) | 2 b | 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 ▶ 20 __ , 20 __ , 20 __ , 20 __ | | |
| 3 a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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) | 3 b | X |
| 4 a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? | 4 a | 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? | 4 b | X |

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

| | | | | |
|---|---|------------------------------|--|-----------------------------|
| 5 a During the year, did the foundation pay or incur any amount to | | | Yes | No |
| (1) | Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |
| (2) | Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |
| (3) | Provide a grant to an individual for travel, study, or other similar purposes? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |
| (4) | Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? See instructions | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> 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? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> 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 | | | 5 b | N/A |
| Organizations relying on a current notice regarding disaster assistance, check here | | <input type="checkbox"/> | | |
| 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? If 'Yes,' attach the statement required by Regulations section 53.4945–5(d) | | N/A | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 6 a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |
| b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If 'Yes' to 6b, file Form 8870 | | | 6 b | X |
| 7 a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? | | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |
| b If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction? | | | N/A | 7 b |
| 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? | | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors SEE STATEMENT 14

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 |
|---|---|---|---|---------------------------------------|
| JERRY V. SMITH 16250 KNOLL TRAIL DR, STE 110 DALLAS, TX 75248 | TRUSTEE 15.00 | 0. | 0. | 0. |
| ROBERT MCCULLOCH 16250 KNOLL TRAIL DR, STE 110 DALLAS, TX 75248 | TRUSTEE 1.00 | 29,873. | 0. | 0. |
| D. MICHAEL REDDEN 5720 GLENEAGLES DRIVE PLANO, TX 75093 | TRUSTEE 1.00 | 15,825. | 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 |
|--|---------------------|------------------|
| J.V. SMITH, PROFESSIONAL CORPORATION 16250 KNOLL TRAIL DRIVE, SUITE 110 DALLAS, TX 75248 | TRUST/ACCT/TAX PREP | 347,595. |
| ----- | | |
| ----- | | |
| ----- | | |
| ----- | | |
| 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 | |
| 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 N/A | |
| 2 | |
| All other program-related investments See instructions | |
| Total. Add lines 1 through 3 | |

BAA

Part IX 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 | 1 a | 20,939,038. |
| b Average of monthly cash balances | 1 b | 2,256,365. |
| c Fair market value of all other assets (see instructions) | 1 c | 27,577,942. |
| d Total (add lines 1a, b, and c) | 1 d | 50,773,345. |
| e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) | 1 e | 0. |
| 2 Acquisition indebtedness applicable to line 1 assets | 2 | 0. |
| 3 Subtract line 2 from line 1d | 3 | 50,773,345. |
| 4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions) | 4 | 761,600. |
| 5 Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4 | 5 | 50,011,745. |
| 6 Minimum investment return. Enter 5% of line 5 | 6 | 2,500,587. |

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 | 2,500,587. |
| 2 a Tax on investment income for 2018 from Part VI, line 5 | 2 a | 27,208. |
| b Income tax for 2018 (This does not include the tax from Part VI.) | 2 b | |
| c Add lines 2a and 2b | 2 c | 27,208. |
| 3 Distributable amount before adjustments Subtract line 2c from line 1 | 3 | 2,473,379. |
| 4 Recoveries of amounts treated as qualifying distributions | 4 | |
| 5 Add lines 3 and 4 | 5 | 2,473,379. |
| 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 | 2,473,379. |

Part XIII 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 | 1 a | 2,550,900. |
| b Program-related investments – total from Part IX-B | 1 b | |
| 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) | 3 a | |
| b Cash distribution test (attach the required schedule) | 3 b | |
| 4 Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4 | 4 | 2,550,900. |
| 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 | 27,208. |
| 6 Adjusted qualifying distributions. Subtract line 5 from line 4 | 6 | 2,523,692. |

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 | | | | 2,473,379. |
| 2 Undistributed income, if any, as of the end of 2018 | | | | |
| a Enter amount for 2017 only | | | 2,417,726. | |
| b Total for prior years 20 __, 20 __, 20 __ | | 0. | | |
| 3 Excess distributions carryover, if any, to 2018 | | | | |
| a From 2013 | | | | |
| b From 2014 | | | | |
| c From 2015 | | | | |
| d From 2016 | | | | |
| e From 2017 | | | | |
| f Total of lines 3a through e | 0. | | | |
| 4 Qualifying distributions for 2018 from Part XII, line 4 ▶ \$ 2,550,900. | | | | |
| a Applied to 2017, but not more than line 2a | | | 2,417,726. | |
| b Applied to undistributed income of prior years (Election required – see instructions) | | 0. | | |
| c Treated as distributions out of corpus (Election required – see instructions) | 0. | | | |
| d Applied to 2018 distributable amount | | | | 133,174. |
| e Remaining amount distributed out of corpus | 0. | | | |
| 5 Excess distributions carryover applied to 2018 (If an amount appears in column (d), the same amount must be shown in column (a)) | 0. | | | 0. |
| 6 Enter the net total of each column as indicated below: | | | | |
| a Corpus Add lines 3f, 4c, and 4e Subtract line 5 | 0. | | | |
| 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 | | 0. | | |
| 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 | | | | 2,340,205. |
| 7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required – see instructions) | 0. | | | |
| 8 Excess distributions carryover from 2013 not applied on line 5 or line 7 (see instructions) | 0. | | | |
| 9 Excess distributions carryover to 2019. Subtract lines 7 and 8 from line 6a | 0. | | | |
| 10 Analysis of line 9 | | | | |
| a Excess from 2014 | | | | |
| b Excess from 2015 | | | | |
| c Excess from 2016 | | | | |
| d Excess from 2017 | | | | |
| e Excess from 2018 | | | | |

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 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)

2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

| Tax year | Prior 3 years | | | (e) Total |
|--|---------------|----------|----------|-----------|
| (a) 2018 | (b) 2017 | (c) 2016 | (d) 2015 | |
| 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))

NONE

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

SEE STATEMENT 15

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

SEE STATEMENT FOR LINE 2A

c Any submission deadlines

SEE STATEMENT FOR LINE 2A

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

SEE STATEMENT FOR LINE 2A

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 STATEMENT 16 | | | | |
| Total | | | | ▶ 3 a 2,375,087. |
| b Approved for future payment | | | | |
| Total | | | | ▶ 3 b |

LUPE MURCHISON FOUNDATION

75-2953224

STATEMENT 1
FORM 990-PF, PART I, LINE 6A
NET GAIN (LOSS) FROM NONINVENTORY SALES PER BOOKS
ASSETS NOT INCLUDED IN PART IV

| | | | |
|----------------------|------------------------------|-------------|-----------------|
| DESCRIPTION: | UBTI SHORT TERM PASS THROUGH | | |
| DATE ACQUIRED: | VARIOUS | | |
| HOW ACQUIRED: | PURCHASE | | |
| DATE SOLD: | VARIOUS | | |
| TO WHOM SOLD: | | | |
| GROSS SALES PRICE: | 98,242. | | |
| COST OR OTHER BASIS: | 0. | | |
| BASIS METHOD: | COST | | |
| | | GAIN (LOSS) | 98,242. |
| | | | |
| DESCRIPTION: | UBTI LONG TERM PASS THROUGH | | |
| DATE ACQUIRED: | VARIOUS | | |
| HOW ACQUIRED: | PURCHASE | | |
| DATE SOLD: | VARIOUS | | |
| TO WHOM SOLD: | | | |
| GROSS SALES PRICE: | 411,568. | | |
| COST OR OTHER BASIS: | 0. | | |
| BASIS METHOD: | COST | | |
| | | GAIN (LOSS) | 411,568. |
| | | | |
| DESCRIPTION: | 1231 GAIN FROM K-1S | | |
| DATE ACQUIRED: | VARIOUS | | |
| HOW ACQUIRED: | PURCHASE | | |
| DATE SOLD: | VARIOUS | | |
| TO WHOM SOLD: | | | |
| GROSS SALES PRICE: | 152,755. | | |
| COST OR OTHER BASIS: | 0. | | |
| BASIS METHOD: | COST | | |
| | | GAIN (LOSS) | 152,755. |
| | | TOTAL \$ | <u>662,565.</u> |

STATEMENT 2
FORM 990-PF, PART I, LINE 10C
GROSS PROFIT (LOSS) FROM SALES OF INVENTORY

| ITEMS SOLD | AMOUNT |
|--------------------------------------|--------------------|
| | \$ 59,718. |
| GROSS SALES | \$ 59,718. |
| LESS RETURNS & ALLOWANCES | 0. |
| NET SALES | \$ 59,718. |
| LESS COST OF GOODS SOLD | 75,949. |
| GROSS PROFIT FROM SALES OF INVENTORY | <u>\$ -16,231.</u> |

LUPE MURCHISON FOUNDATION

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STATEMENT 3
FORM 990-PF, PART I, LINE 11
OTHER INCOME

| | (A) REVENUE PER BOOKS | (B) NET INVESTMENT INCOME | (C) ADJUSTED NET INCOME |
|---------------------------|-----------------------------|---------------------------------|-------------------------------|
| AP ENERGY INFRASTRUCTURE | \$ 146,020. | \$ 518. | |
| AP ENERGY INFRASTRUCTURE | 238. | 238. | |
| AWH OPPORTUNITY FUND I, L | -161. | -161. | |
| BURGUNDY EMERGING MARKETS | 450. | 450. | |
| BURGUNDY SMALLER COMPANIE | 18. | 18. | |
| COMMERCE STREET CARLYLE P | 1,598. | 2,779. | |
| ESPUELA GAS PARTNERS III | -16,261. | | |
| ESPUELA GAS PARTNERS III | 42,501. | 32,356. | |
| GRAND ISLE | -194. | | |
| JDM MINERALS LTD | 1,773. | | |
| JDM MINERALS LTD | 116,058. | 116,058. | |
| LA PLATA LGM CORP | 12,106. | | |
| LA PLATA LGM CORP | 28,040. | | |
| LCKM INVESTMENT PARTNERSH | 884. | 924. | |
| LGM RESOURCES | 46,778. | 46,778. | |
| LGM STARR COUNTY LP | -195. | | |
| LONE STAR RACE PARK, LTD | 191. | 191. | |
| MONTAUK TRIGARD FUND IV L | 18. | 18. | |
| MONTAUK TRIGARD FUND IV L | -9,110. | | |
| MONTAUK TRIGARD FUND VII | -636. | -636. | |
| MONTAUK TRIGARD FUND VII | -72,610. | | |
| SALIENT NATURAL RESOURCE | -37,415. | | |
| SALIENT NATURAL RESOURCE | 4,507. | 4,507. | |
| TETON MIDSTREAM INFRASTRU | -46,068. | | |
| VENDERRA | 9,759. | 9,759. | |
| VENDERRA RESOURCES III, L | -17,375. | | |
| WASATCH NATURAL RESOURCE | -3,449. | | |
| WASATCH NATURAL RESOURCE | 523. | 523. | |
| WOODBINE LEGACY INVESTMEN | -498,046. | | |
| TOTAL | <u>\$ -290,058.</u> | <u>\$ 214,320.</u> | <u>\$ 0.</u> |

STATEMENT 4
FORM 990-PF, PART I, LINE 16A
LEGAL FEES

| | (A) EXPENSES PER BOOKS | (B) NET INVESTMENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|------------|------------------------------|---------------------------------|-------------------------------|-------------------------------|
| LEGAL FEES | \$ 4,360. | \$ 960. | | \$ 3,079. |
| TOTAL | <u>\$ 4,360.</u> | <u>\$ 960.</u> | <u>\$ 0.</u> | <u>\$ 3,079.</u> |

LUPE MURCHISON FOUNDATION

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STATEMENT 5
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

| | (A) EXPENSES PER BOOKS | (B) NET INVESTMENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|--|------------------------------|---------------------------------|-------------------------------|-------------------------------|
| TAX PLANNING & ACCOUNTING TAX PREPARATION | \$ 62,204. | \$ 31,102. | | \$ 20,739. |
| | 18,836. | 14,127. | | |
| TOTAL | <u>\$ 81,040.</u> | <u>\$ 45,229.</u> | <u>\$ 0.</u> | <u>\$ 20,739.</u> |

STATEMENT 6
FORM 990-PF, PART I, LINE 16C
OTHER PROFESSIONAL FEES

| | (A) EXPENSES PER BOOKS | (B) NET INVESTMENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|------------------------------------|------------------------------|---------------------------------|-------------------------------|-------------------------------|
| ADVISORY AND DUE DILIGENCE - OTHER | \$ 105,834. | \$ 105,834. | | |
| OTHER | 349. | 175. | | \$ 116. |
| OTHER FEES | 8,530. | 6,398. | | |
| TRUSTEE FEES | 258,025. | 96,759. | | 129,013. |
| TOTAL | <u>\$ 372,738.</u> | <u>\$ 209,166.</u> | <u>\$ 0.</u> | <u>\$ 129,129.</u> |

STATEMENT 7
FORM 990-PF, PART I, LINE 18
TAXES

| | (A) EXPENSES PER BOOKS | (B) NET INVESTMENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|--------------------|------------------------------|---------------------------------|-------------------------------|-------------------------------|
| FEDERAL REFUND | \$ -1. | | | |
| FOREIGN TAXES PAID | 28,173. | \$ 27,576. | | |
| PROPERTY TAXES | 18. | 18. | | |
| STATE TAXES | 3,121. | 3,121. | | |
| TOTAL | <u>\$ 31,311.</u> | <u>\$ 30,715.</u> | <u>\$ 0.</u> | <u>\$ 0.</u> |

STATEMENT 8
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

| | (A) EXPENSES PER BOOKS | (B) NET INVESTMENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|--|------------------------------|---------------------------------|-------------------------------|-------------------------------|
| AP ENERGY INFRASTRUCTURE FUND | \$ 10,955. | \$ 9,740. | | |
| AWH OPPORTUNITY FUND I, L.P. | 27,085. | 27,085. | | |
| BANK FEES | 52. | 26. | | \$ 17. |
| BURGUNDY EMERGING MARKETS DST | 14,395. | 14,395. | | |
| BURGUNDY SMALLER COMPANIES DST | 19,777. | 19,777. | | |
| COMMERCE STREET CARLYLE PRIVATE EQUITY F | 20,930. | 18,807. | | |

LUPE MURCHISON FOUNDATION

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STATEMENT 8 (CONTINUED)
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

| | (A) EXPENSES PER BOOKS | (B) NET INVESTMENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|--|------------------------------|---------------------------------|-------------------------------|-------------------------------|
| ENCAP ENERGY INFRASTRUCTURE TE FEEDER, L | \$ 282. | \$ 282. | | |
| JDM MINERALS LTD | 197. | 197. | | |
| LCKM INVESTMENT PARTNERSHIP LP | 80,808. | 80,808. | | |
| LONE STAR RACE PARK, LTD | 122. | 122. | | |
| MONTAUK TRIGARD FUND IV LP | 6,683. | 6,332. | | |
| MONTAUK TRIGARD FUND VII LP | 40,910. | 29,956. | | |
| NON-DEDUCTIBLE EXPENSE | 972. | | | |
| PROPERTY & LIABILITY INSURANCE | 21,062. | 21,062. | | |
| RENTAL EXPENSES | 163,017. | 162,922. | | |
| ROYALTY EXPENSE | 38,784. | 37,550. | | |
| SALIENT NATURAL RESOURCE FUND, L.P. | | | | |
| | 4,683. | | | |
| SANDPOINTE OPPORTUNITIES FUND, LLC | 28,642. | 28,642. | | |
| SILVERCREEK LV STRAT II FUND | 3,323. | 3,323. | | |
| TETON MIDSTREAM INFRASTRUCTURE FUND III, | | | | |
| | 8,914. | | | |
| WASATCH NATURAL RESOURCE FUND, LP | 7,771. | | | |
| TOTAL | <u>\$ 499,364.</u> | <u>\$ 461,026.</u> | <u>\$ 0.</u> | <u>\$ 17.</u> |

STATEMENT 9
FORM 990-PF, PART II, LINE 10A
INVESTMENTS - U.S. AND STATE GOVERNMENT OBLIGATIONS

| U.S. GOVERNMENT OBLIGATIONS | VALUATION METHOD | BOOK VALUE | FAIR MARKET VALUE |
|-----------------------------|---------------------|--------------------|----------------------|
| TREASURY BILL DUE 1/24 | MKT VAL | \$ 249,646. | \$ 249,646. |
| TREASURY BILL DUE 3/7 | MKT VAL | 248,953. | 248,953. |
| TREASURY NT DUE 4/15 | MKT VAL | 248,945. | 248,945. |
| TREASURY NT DUE 10/31 | MKT VAL | 247,148. | 247,148. |
| | TOTAL | <u>\$ 994,692.</u> | <u>\$ 994,692.</u> |

STATEMENT 10
FORM 990-PF, PART II, LINE 10B
INVESTMENTS - CORPORATE STOCKS

| CORPORATE STOCKS | VALUATION METHOD | BOOK VALUE | FAIR MARKET VALUE |
|------------------------------------|---------------------|----------------------|----------------------|
| GULF COAST WATER CO. 351 SH | MKT VAL | \$ 421,200. | \$ 421,200. |
| KAYNE ANDERSON EQUITIES (SEE ATCH) | MKT VAL | 1,736,035. | 1,736,035. |
| WCM EQUITIES (SEE ATTACHMENT) | MKT VAL | 3,588,799. | 3,588,799. |
| SHAFFER CULLEN EQUITIES (SEE ATCH) | MKT VAL | 1,115,724. | 1,115,724. |
| | TOTAL | <u>\$ 6,861,758.</u> | <u>\$ 6,861,758.</u> |

LUPE MURCHISON FOUNDATION

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STATEMENT 11
FORM 990-PF, PART II, LINE 13
INVESTMENTS - OTHER

| | VALUATION METHOD | BOOK VALUE | FAIR MARKET VALUE |
|--|---------------------|-----------------------|-----------------------|
| <u>OTHER INVESTMENTS</u> | | | |
| LGM RESOURCES MINERALS | MKT VAL | \$ 149,693. | \$ 149,693. |
| WASATCH NATURAL RESOURCE FUND, LP | MKT VAL | 66,739. | 66,739. |
| TOTAL OTHER INVESTMENTS | | <u>\$ 216,432.</u> | <u>\$ 216,432.</u> |
| <u>OTHER PUBLICLY TRADED SECURITIES</u> | | | |
| GUGGENHEIM FLOATING RATE | MKT VAL | 519,663. | 519,663. |
| MORGAN STANLEY INTERNATIONAL | MKT VAL | 1,773,296. | 1,773,296. |
| VANGUARD GROWTH INDEX | MKT VAL | 1,008,613. | 1,008,613. |
| VANGUARD 500 INDEX | MKT VAL | 1,491,588. | 1,491,588. |
| BARCLAYS BANK ETN | MKT VAL | 466,804. | 466,804. |
| DOUBLELINE TOTAL RETURN FUND | MKT VAL | 1,434,456. | 1,434,456. |
| GUGGENHEIM MACRO OPPORTUNITY | MKT VAL | 1,587,318. | 1,587,318. |
| VANGUARD HIGH DIVIDEND YIELD ETF (CSIM) | MKT VAL | 17,548. | 17,548. |
| VANGUARD 500 (CSIM) | MKT VAL | 119,074. | 119,074. |
| VANGUARD MID CAP | MKT VAL | 158,814. | 158,814. |
| VANGUARD SMALL CAP (CSIM) | MKT VAL | 49,828. | 49,828. |
| VANGUARD REIT (CSIM) | MKT VAL | 9,535. | 9,535. |
| ISHARES MSCI EAFE SMALL CAP (CSIM) | MKT VAL | 20,210. | 20,210. |
| VANGUARD DEVELOPED MARKETS (CSIM) | MKT VAL | 56,032. | 56,032. |
| ISHARES CORE EMERGING MARKETS (CSIM) | MKT VAL | 22,255. | 22,255. |
| VANGUARD VALUE INDEX | MKT VAL | 956,601. | 956,601. |
| ALERIAN INFRASTRUCTURE ETN | MKT VAL | 1,419,348. | 1,419,348. |
| TOTAL OTHER PUBLICLY TRADED SECURITIES | | <u>\$ 11,110,983.</u> | <u>\$ 11,110,983.</u> |
| <u>OTHER SECURITIES</u> | | | |
| CALLABLE YIELD NOTES (SEE ATCH) | MKT VAL | 1,608,875. | 1,608,875. |
| WARD TRUST | MKT VAL | 500. | 500. |
| LCKM INVESTMENT PARTNERSHIP LP | MKT VAL | 4,679,204. | 4,679,204. |
| SANDPOINTE OPPORTUNITIES FUND, LLC | MKT VAL | 93,412. | 93,412. |
| TETON MIDSTREAM INFRASTRUCTURE FUND III, | MKT VAL | 342,910. | 342,910. |
| AP ENERGY INFRASTRUCTURE FUND | MKT VAL | 94,517. | 94,517. |
| ENCAP ENERGY INFRASTRUCTURE TE | MKT VAL | 97,903. | 97,903. |
| SILVERCREEK LOW VOLUME STRATEGIES II | MKT VAL | 27,462. | 27,462. |
| COMMERCE STREET CARLYLE PRIVATE | MKT VAL | 1,013,424. | 1,013,424. |
| BURGUNDY SMALLER COMPANIES DST | MKT VAL | 1,689,423. | 1,689,423. |
| WOODBINE LEGACY INVESTMENT PARTNERSHIP, | MKT VAL | 2,356,719. | 2,356,719. |
| MONTAUK TRIGUARD FUND IV, LP | MKT VAL | 385,525. | 385,525. |
| MONTAUK TRIGUARD FUND VII, LP | MKT VAL | 1,298,698. | 1,298,698. |
| ESPUELA GAS PARTNERS III LP | MKT VAL | 245,374. | 245,374. |
| BURGUNDY EMERGING MARKETS DST | MKT VAL | 1,472,759. | 1,472,759. |
| AWH OPPORTUNITY FUND | MKT VAL | 1,763,969. | 1,763,969. |
| SALIENT NATURAL RESOURCE | MKT VAL | 218,014. | 218,014. |
| VENDERA RESOURCES III, LP | MKT VAL | 551,993. | 551,993. |
| SENIOR DOLLAR LOAN FUND | MKT VAL | 1,873,808. | 1,873,808. |
| DISTRESSED MANAGERS IV OFFSHORE | MKT VAL | 240,868. | 240,868. |
| LOCUSTWOOD CAPITAL OFFSHORE, | MKT VAL | 1,150,797. | 1,150,797. |
| MEDALIST PARTNERS HARVEST FUND, | MKT VAL | 722,138. | 722,138. |
| SEER CAPITAL PARTNERS OFFSHORE | MKT VAL | 931,705. | 931,705. |
| ATLAS ENHANCED OFFSHORE FUND, | MKT VAL | 1,022,511. | 1,022,511. |
| TOTAL OTHER SECURITIES | | <u>\$ 23,882,508.</u> | <u>\$ 23,882,508.</u> |
| <u>CLOSELY-HELD EQUITY INTERESTS</u> | | | |

LUPE MURCHISON FOUNDATION

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STATEMENT 11 (CONTINUED)
FORM 990-PF, PART II, LINE 13
INVESTMENTS - OTHER

OTHER SECURITIES

| | | | |
|-------------------------------------|---------|-----------------------|-----------------------|
| LA PLATA COUNTY LGM CORP | MKT VAL | \$ 246,799. | \$ 246,799. |
| LGM RESOURCES STARR COUNTY LP | MKT VAL | 474. | 474. |
| GRAND ISLE | MKT VAL | 151. | 151. |
| 225 CANYON ROAD LIMITED | MKT VAL | 2,062,131. | 2,062,131. |
| LONE STAR RACE PARK, LTD | MKT VAL | 2,000. | 2,000. |
| JDM MINERALS LTD | MKT VAL | 742,713. | 742,713. |
| TOTAL CLOSELY-HELD EQUITY INTERESTS | | <u>\$ 3,054,268.</u> | <u>\$ 3,054,268.</u> |
| | TOTAL | <u>\$ 38,264,191.</u> | <u>\$ 38,264,191.</u> |

STATEMENT 12
FORM 990-PF, PART III, LINE 5
OTHER DECREASES

| | | |
|---|-------|----------------------|
| NET UNREALIZED GAINS OR LOSSES ON INVESTMENTS | TOTAL | <u>\$ 3,836,953.</u> |
| | | <u>\$ 3,836,953.</u> |

STATEMENT 13
FORM 990-PF, PART IV, LINE 1
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

| ITEM | (A) DESCRIPTION | (B) HOW ACQUIRED | (C) DATE ACQUIRED | (D) DATE SOLD | (E) GROSS SALES | (F) DEPREC. ALLOWED | (G) COST BASIS | (H) GAIN (LOSS) | (I) FMV 12/31/69 | (J) ADJ. BAS. 12/31/69 | (K) EXCESS (I) - (J) | (L) GAIN (LOSS) | |
|------|-------------------------------------|------------------|-------------------|---------------|-----------------|---------------------|----------------|-----------------|------------------|------------------------|----------------------|-----------------|--------------------|
| 1 | VANGUARD GROWTH INDEX FD | PURCHASED | VARIOUS | 11/15/2018 | 1605659. | | 664,489. | 941,170. | | | | \$ 941,170. | |
| 2 | LOCUST WOOD SALE | PURCHASED | VARIOUS | 6/30/2018 | 100,000. | | 75,451. | 24,549. | | | | 24,549. | |
| 3 | OAK RIDGE SALE | PURCHASED | VARIOUS | 11/15/2018 | 821,555. | | 1037359. | -215,804. | | | | -215,804. | |
| 4 | UBS - KA - *0646 ST (SEE ADDENDUM) | PURCHASED | VARIOUS | VARIOUS | 187,942. | | 141,114. | 46,828. | | | | 46,828. | |
| 5 | UBS - CYN - *0892 (SEE ADDENDUM) | PURCHASED | 8/21/2017 | 5/29/2018 | 100,000. | | 100,000. | 0. | | | | 0. | |
| 6 | UBS - SC - *7064 LT (SEE ADDENDUM) | PURCHASED | VARIOUS | VARIOUS | 363,756. | | 350,674. | 13,082. | | | | 13,082. | |
| 7 | UBS - SC - *7064 ST (SEE ADDENDUM) | PURCHASED | VARIOUS | VARIOUS | 81,923. | | 99,621. | -17,698. | | | | -17,698. | |
| 8 | UBS - WCM - *7063 ST (SEE ADDENDUM) | PURCHASED | VARIOUS | VARIOUS | 185,661. | | 211,747. | -26,086. | | | | -26,086. | |
| 9 | UBS - WCM - *7063 LT (SEE ADDENDUM) | PURCHASED | VARIOUS | VARIOUS | 812,487. | | 635,701. | 176,786. | | | | 176,786. | |
| 10 | IB - CSIM - * ST (SEE ADDENDUM) | PURCHASED | VARIOUS | VARIOUS | 2,383. | | 2,387. | -4. | | | | -4. | |
| 11 | CAPITAL GAIN DIVIDENDS | | | | | | | | | | | 1015529. | |
| | | | | | | | | | | | | TOTAL | <u>\$ 1958352.</u> |

LUPE MURCHISON FOUNDATION

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STATEMENT 14
FORM 990-PF, PART VIII
COMPENSATION EXPLANATION

J.V. SMITH, PROFESSIONAL CORPORATION

JERRY V. SMITH IS THE 100% OWNER OF J.V. SMITH, PROFESSIONAL CORPORATION. THIS COMPANY PROVIDED SERVICES TO THE FOUNDATION IN PURSUIT OF ITS EXEMPT PURPOSE RELATED TO BOOKKEEPING AND TAX PREPARATION. THESE FUNCTIONS WERE BILLED OUT AT THE SAME RATE AS THE SERVICES THE COMPANY PROVIDED TO OTHER CLIENTS. THE MAJORITY OF THESE FEES WENT TO PAY JVSPC EMPLOYEES AND CONTRACTORS.

STATEMENT 15
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION

NAME OF GRANT PROGRAM:

NAME: JERRY V. SMITH, TRUSTEE
CARE OF: J. V. SMITH PROFESSIONAL CORPORATION
STREET ADDRESS: 16250 KNOLL TRAIL DRIVE, SUITE 110
CITY, STATE, ZIP CODE: DALLAS, TX 75248
TELEPHONE: 972-248-2200

E-MAIL ADDRESS:
FORM AND CONTENT: APPLICATION SHOULD BE SUBMITTED IN WRITING AND INCLUDE INTERNAL REVENUE CODE ORGANIZATION STATUS.

SUBMISSION DEADLINES: NONE
RESTRICTIONS ON AWARDS: MUST BE AN IRC QUALIFIED CHARITABLE ORGANIZATION-THE FOUNDATION CONTRIBUTES TO IRC CHARITABLE ORGANIZATIONS, FOCUSING PRIMARILY ON (I) QUALIFIED CHARITABLE ORGANIZATION THAT ADMINISTER THE FUNDING OF PROGRAMS THAT PROVIDE EDUCATIONAL AND MEDICAL BENEFITS TO CHILDREN, (II) QUALIFIED CHARITABLE ORGANIZATIONS THAT ADMINISTER THE FUNDING OF STUDENT SCHOLARSHIPS, AND (III) GRANTS TO THE SOUTHWESTERN MEDICAL FOUNDATION.

STATEMENT 16
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

| <u>NAME AND ADDRESS</u> | <u>DONEE RELATIONSHIP</u> | <u>FOUND- ATION STATUS</u> | <u>PURPOSE OF GRANT</u> | <u>AMOUNT</u> |
|---|---------------------------|------------------------------------|--------------------------------|---------------|
| INVOLVED FOR LIFE, INC. 525 N. ERVAY STREET DALLAS TX 75201 | | PC | DOWNTOWN PREGNANCY CENTER | \$ 25,000. |
| ALCUIN SCHOOL 6144 CHURCHILL WAY DALLAS TX 75230 | | PC | WHEREVER IT IS NEEDED MOST. | 25,000. |

LUPE MURCHISON FOUNDATION

75-2953224

STATEMENT 16 (CONTINUED)
 FORM 990-PF, PART XV, LINE 3A
 RECIPIENT PAID DURING THE YEAR

| NAME AND ADDRESS | DONEE RELATIONSHIP | FOUND- ATION STATUS | PURPOSE OF GRANT | AMOUNT |
|--|-----------------------|---------------------------|---|-------------|
| FIRST LIBERTY INSTITUTE 2001 WEST PLANO PARKWAY, SUITE 1600 PLANO TX 75075 | | PC | WHEREVER IT IS NEEDED MOST. | \$ 150,000. |
| THE MEN OF NEHEMIAH 2010 AL LIPSCOMB WAY DALLAS TX 75215 | | PC | WHEREVER IT IS NEEDED MOST. | 150,000. |
| CHILDCAREGROUP 1420 W MOCKINGBIRD LN, SUITE 300 DALLAS TX 75247 | | PC | WHEREVER IT IS NEEDED MOST. | 25,000. |
| SCHOLARSHOT, INC. 2904 SWISS AVENUE DALLAS TX 75204 | | PC | WHEREVER IT IS NEEDED MOST. | 50,000. |
| MOMENTOUS INSTITUTE 9705 HARRY HINES BLVD. DALLAS TX 75220 | | PC | WHEREVER IT IS NEEDED MOST. | 100,000. |
| UNIVERSITY OF NORTH TEXAS 1155 UNION CIRCLE #311250 DENTON TX 76203 | | PC | THE LUPE MURCHISON BIOMEDICAL ENGINEERING FUND | 300,000. |
| CENTER FOR STUDY OF NEW TESTAMENT 2001 WEST PLANO PKWY., SUITE 1043 PLANO TX 75075 | | PC | WHEREVER IT IS NEEDED MOST. | 25,000. |
| SOUTHWESTERN MEDICAL FOUNDATION 3889 MAPLE AVENUE, SUITE 100 DALLAS TX 75219 | | PC | THE LUPE MURCHISON ENDOWED FUND FOR BRAIN RESEARCH | 500,000. |
| RESTORATION OUTREACH OF DALLAS 4209 SAMUELL BLVD. DALLAS TX 75228 | | PC | WHEREVER IT IS NEEDED MOST. | 25,000. |
| SEARCH MINISTRIES, INC. 5304 LAKELAND DRIVE FRISCO TX 75035 | | PC | WHEREVER IT IS NEEDED MOST. | 50,000. |
| DALLAS THEOLOGICAL SEMINARY 3909 SWISS AVENUE DALLAS TX 75204 | | PC | RESTRICTED TO LMF ENDOWMENT SCHOLARSHIP | 50,000. |

LUPE MURCHISON FOUNDATION

75-2953224

STATEMENT 16 (CONTINUED)
 FORM 990-PF, PART XV, LINE 3A
 RECIPIENT PAID DURING THE YEAR

| NAME AND ADDRESS | DONEE RELATIONSHIP | FOUND- ATION STATUS | PURPOSE OF GRANT | AMOUNT |
|--|-----------------------|---------------------------|--|-------------|
| METHODIST HEALTH SYSTEM FOUNDATION PO BOX 655999 DALLAS TX 75265 | | PC | RESTRICTED TO ROBERT S. FOLSOM WELLNESS CENTER | \$ 250,000. |
| TEXAS HEALTH RESOURCES FOUNDATION 612 E. LAMAR BLVD., SUITE 300 ARLINGTON TX 76011 | | PC | WHEREVER IT IS NEEDED MOST. | 75,000. |
| MERCY STREET 3801 HOLYSTONE DALLAS TX 75212 | | PC | WHEREVER IT IS NEEDED MOST. | 100,000. |
| COUNCIL FOR LIFE 4516 LOVERS LANE, PNB NO 103 DALLAS TX 75225 | | PC | WHEREVER IT IS NEEDED MOST. | 100,000. |
| SMU MEADOWS MUSEUM 5900 BISHOP BLVD. DALLAS TX 75205 | | PC | WHEREVER IT IS NEEDED MOST. | 25,000. |
| CORNERSTONE CROSSROADS ACADEMY P.O. BOX 151062 DALLAS TX 75315 | | PC | WHEREVER IT IS NEEDED MOST. | 50,000. |
| CRISTO REY DALLAS HIGH SCHOOL, INC. 1064 N. ST. AUGUSTINE DALLAS TX 75217 | | PC | WHEREVER IT IS NEEDED MOST. | 25,000. |
| ADVOCATES FOR COMMUNITY TRANSFORMATION P.O. BOX 225225 DALLAS TX 75222 | | PC | WHEREVER IT IS NEEDED MOST. | 50,000. |
| HEROIC MEDIA 5440 HARVEST HILL ROAD, SUITE 210 DALLAS TX 75230 | | PC | WHEREVER IT IS NEEDED MOST. | 25,000. |
| CATHOLIC PRO-LIFE COMMITTEE P.O. BOX 803541 DALLAS TX 75380 | | PC | WHEREVER IT IS NEEDED MOST. | 25,000. |

LUPE MURCHISON FOUNDATION

75-2953224

STATEMENT 16 (CONTINUED)
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

| NAME AND ADDRESS | DONEE RELATIONSHIP | FOUND- ATION STATUS | PURPOSE OF GRANT | AMOUNT |
|--|-----------------------|---------------------------|---------------------------------|----------------------|
| OVERSEAS COUNCIL INTERNATIONAL, INC. 205 REGENCY EXECUTIVE PARK DRIVE CHARLOTTE NC 28217 | | PC | WHEREVER IT IS NEEDED MOST. | \$ 25,000. |
| UNION GOSPEL MISSION DALLAS 3211 IRVING BLVD DALLAS TX 75247 | | PC | DOING THE MOST GOOD LUNCHEON | 25,000. |
| CHILDREN'S MEDICAL CENTER FOUNDATION 2777 N STEMMONS FWY # 700 DALLAS TX 75207 | | PC | WHEREVER IT IS NEEDED MOST. | 100,000. |
| ALLOCATED CHARITABLE FROM K-1S 100 SAINT PAUL STREET, SUITE 700 DENVER CO 80206 | | PC | WHEREVER IT IS NEEDED MOST. | 87. |
| GRACE LINE MINISTRY 5011 BRIAR TREE DRIVE DALLAS TX 75248 | | PC | WHEREVER IT IS NEEDED MOST. | 25,000. |
| TOTAL | | | | <u>\$ 2,375,087.</u> |

STATEMENT 17
FORM 990-PF, PART XVI-A, LINE 11
OTHER REVENUE

| OTHER REVENUE | (A) BUSI- NESS CODE | (B) UNRELATED BUSINESS AMOUNT | (C) EXCLU- SION CODE | (D) EXCLUDED AMOUNT | (E) RELATED OR EXEMPT FUNCTION |
|---------------------------|------------------------------|--|-------------------------------|---------------------------|---|
| AP ENERGY INFRASTRUCTURE | | | 15 | \$ 238. | |
| AP ENERGY INFRASTRUCTURE | 211110 | | 14 | | |
| AP ENERGY INFRASTRUCTURE | 221000 | \$ 145,500. | 14 | 518. | \$ 2. |
| AWH OPPORTUNITY FUND I, L | | | 15 | -161. | |
| AWH OPPORTUNITY FUND I, L | 523000 | | 14 | | |
| BURGUNDY EMERGING MARKETS | | | 14 | 450. | |
| BURGUNDY SMALLER COMPANIE | 523000 | | 14 | 18. | |
| COMMERCE STREET CARLYLE P | 551112 | -1,181. | 14 | 2,779. | |
| ESPUELA GAS PARTNERS II L | 211130 | | | | |
| ESPUELA GAS PARTNERS III | 211110 | 10,145. | 15 | 32,356. | |
| ESPUELA GAS PARTNERS III | 211110 | -16,261. | | | |
| ESPUELA GAS PARTNERS III | 211130 | | | | |
| GRAND ISLE | 211110 | -194. | | | |
| JDM MINERALS LTD | | | 15 | 116,058. | |
| JDM MINERALS LTD | 211110 | 1,773. | | | |
| LA PLATA LGM CORP | 211110 | 12,106. | | | |
| LA PLATA LGM CORP | 211110 | 28,040. | | | |

LUPE MURCHISON FOUNDATION

75-2953224

STATEMENT 17 (CONTINUED)
FORM 990-PF, PART XVI-A, LINE 11
OTHER REVENUE

| OTHER REVENUE | (A) BUSI- NESS CODE | (B) UNRELATED BUSINESS AMOUNT | (C) EXCLU- SION CODE | (D) EXCLUDED AMOUNT | (E) RELATED OR EXEMPT FUNCTION |
|---------------------------|------------------------------|--|-------------------------------|---------------------------|---|
| LCKM INVESTMENT PARTNERSH | 551112 | \$ -40. | 14 | \$ 924. | |
| LGM RESOURCES | 211110 | | 15 | 46,778. | |
| LGM STARR COUNTY LP | 211110 | -195. | | | |
| LONE STAR RACE PARK, LTD | | | 15 | 191. | |
| MONTAUK TRIGARD FUND IV L | | | 15 | 18. | |
| MONTAUK TRIGARD FUND IV L | 551112 | -9,213. | 14 | | \$ 103. |
| MONTAUK TRIGARD FUND VII | | | 15 | -636. | |
| MONTAUK TRIGARD FUND VII | 551112 | -72,610. | 14 | | |
| SALIENT NATURAL RESOURCE | | | 15 | 4,507. | |
| SALIENT NATURAL RESOURCE | 211110 | -37,415. | | | |
| TETON MIDSTREAM INFRASTRU | 211110 | -46,068. | | | |
| VENDERRA | | | 15 | 9,759. | |
| VENDERRA RESOURCES III, L | 211110 | -17,375. | 14 | | |
| WASATCH NATURAL RESOURCE | | | 15 | 523. | |
| WASATCH NATURAL RESOURCE | 211110 | -3,449. | | | |
| WOODBINE LEGACY INVESTMEN | 721110 | -498,046. | | | |
| TOTAL | | <u>\$ -504,483.</u> | | <u>\$ 214,320.</u> | <u>\$ 105.</u> |