

INTERNAL REVENUE SERVICE

2949132001902 9

Form **990-PF**

Return of Private Foundation

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

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.

OMB No 1545-0052

2018

Open to Public Inspection

For calendar year 2018 or tax year beginning , and ending

Name of foundation THE KATHRYN H CRAIG STEPHEN DUDLEY HEARD AND LILLIE D HEARD MEMORIAL		A Employer identification number 75-6154235
Number and street (or P.O. box number if mail is not delivered to street address) P.O. BOX 831041	Room/suite	B Telephone number 800-357-7094
City or town, state or province, country, and ZIP or foreign postal code DALLAS, TX 75283-1041		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 15,273,825.	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. H interest on savings and temporary cash investments					
3 Dividends and interest from securities		298,988.	298,988.		STATEMENT 1
5a Gross rents		58,500.	58,500.		STATEMENT 2
b Net rental income or (loss) 40,518.					STATEMENT 3
6a Net gain or (loss) from sale of assets not on line 10		817,673.			STATEMENT 4
b Gross sales price for all assets on line 6a 4,893,542.					
7 Capital gain net income (from Part IV, line 2)			819,260.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross annuity, pension, and allowances					
b Less: Cost of goods sold					
c Gross profit or (loss)					
11 Other income		2,462.	2,082.		STATEMENT 5
12 Total. Add lines 1 through 11		1,177,623.	1,178,830.		
13 Compensation of officers, directors, trustees, etc.		107,716.	64,630.		43,086.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees STMT 6		9,129.	5,477.		3,652.
c Other professional fees					
17 Interest					
18 Taxes STMT 7		49,775.	8,775.		0.
19 Depreciation and depletion		591.	591.		
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 8		26,077.	26,077.		0.
24 Total operating and administrative expenses. Add lines 13 through 23		193,288.	105,550.		46,738.
25 Contributions, gifts, grants paid		0.			0.
26 Total expenses and disbursements. Add lines 24 and 25		193,288.	105,550.		46,738.
27 Subtract line 26 from line 12		984,335.			
a Excess of revenue over expenses and disbursements			1,073,280.		
b Net investment income (if negative, enter -0-)					
c Adjusted net income (if negative, enter -0-)				N/A	

**THE KATHRYN H CRAIG STEPHEN DUDLEY HEARD
AND LILLIE D HEARD MEMORIAL**

Form 990-PF (2018)

75-6154235

Page 2

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing		446,780.	618,398.	618,398.
	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				
	7	Other notes and loans receivable ▶				
		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				
	b	Investments - corporate stock				
	c	Investments - corporate bonds				
	Liabilities	11	Investments - land, buildings, and equipment, basic ▶	378,175.		
		Less: accumulated depreciation STMT 10 ▶	248,488.	127,278.	129,687.	1,170,000.
12		Investments - mortgage loans				
13		Investments - other STMT 11		12,993,677.	13,817,142.	13,476,801.
14		Land, buildings, and equipment: basis ▶				
		Less: accumulated depreciation				
15		Other assets (describe ▶ OIL & GAS INTEREST)		7.	7.	8,626.
16		Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)		13,567,742.	14,565,234.	15,273,825.
17		Accounts payable and accrued expenses				
18		Grants payable				
Net Assets or Fund Balances	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable				
	22	Other liabilities (describe ▶ STATEMENT 12)		6,645.	6,645.	
	23	Total liabilities (add lines 17 through 22)		6,645.	6,645.	
Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>					
	27	Capital stock, trust principal, or current funds		13,561,097.	14,558,589.	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.	
	29	Retained earnings, accumulated income, endowment, or other funds		0.	0.	
	30	Total net assets or fund balances		13,561,097.	14,558,589.	
31	Total liabilities and net assets/fund balances		13,567,742.	14,565,234.		

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	13,561,097.
2	Enter amount from Part I, line 27a	2	984,335.
3	Other increases not included in line 2 (itemize) ▶ TIMING ADJUSTMENT	3	13,157.
4	Add lines 1, 2, and 3	4	14,558,589.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	14,558,589.

Form 990-PF (2018)

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	SALE OF MARKETABLE SECURITIES	P		
b	SALE OF MARKETABLE SECURITIES	P		
c	COMMON TRUST FUNDS	P		
d	COMMON TRUST FUNDS	P		
e	INVESCO DBC	P		
f	INVESCO DBC	P		
g	CAPITAL GAINS DIVIDENDS			
h				
i				
j				
k				
l				
m				
n				
o				

(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	2,078,585.	1,956,516.	122,069.
b	2,224,905.	2,117,766.	107,139.
c	-20,301.		-20,301.
d	642,049.		642,049.
e	-4,103.		-4,103.
f	-100,215.		-100,215.
g	72,622.		72,622.
h			
i			
j			
k			
l			
m			
n			
o			

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

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			122,069.
b			107,139.
c			-20,301.
d			642,049.
e			-4,103.
f			-100,215.
g			72,622.
h			
i			
j			
k			
l			
m			
n			
o			

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	819,260.
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). If (loss), enter "-0-" in Part I, line 8 }	3	N/A

**THE KATHRYN H CRAIG STEPHEN DUDLEY HEARD
AND LILLIE D HEARD MEMORIAL**

Form 990-PF (2018)

75-6154235 Page 3

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			
b SEE ATTACHED STATEMENT			
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 4,893,542.		4,074,282.	819,260.

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			
b			
c			
d			
e			819,260.

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	819,260.
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). If (loss), enter -0- in Part I, line 8	3	N/A

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

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

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

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

☐ Yes ☒ No

If "Yes," the foundation 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	725,416.	15,810,165.	.045883
2016	740,429.	14,787,108.	.050073
2015	496,118.	14,803,243.	.033514
2014	269,812.	14,827,171.	.018197
2013			

2 Total of line 1, column (d)	2	.147667
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	.036917
4 Enter the net value of noncharitable-use assets for 2018 from Part X, line 5	4	16,497,661.
5 Multiply line 4 by line 3	5	609,044.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	10,733.
7 Add lines 5 and 6	7	619,777.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.	8	46,738.

THE KATHRYN H CRAIG STEPHEN DUDLEY HEARD

Form 990-PF (2018)

AND LILLIE D HEARD MEMORIAL

75-6154235

Page 4

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

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	21,466.
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	21,466.
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	21,466.
6 Credits/Payments:			
a 2018 estimated tax payments and 2017 overpayment credited to 2018	6a	32,125.	
b Exempt foreign organizations - tax withheld at source	6b	0.	
c Tax paid with application for extension of time to file (Form 8868)	6c	0.	
d Backup withholding erroneously withheld	6d	0.	
7 Total credits and payments. Add lines 6a through 6d	7	32,125.	
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	70.	
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	10,589.	
11 Enter the amount of line 10 to be: Credited to 2019 estimated tax <input type="checkbox"/> 10,589. Refunded <input type="checkbox"/>	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? See the instructions for the definition. If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. \$ 0. (2) On foundation managers. \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered. See instructions. <u>TX</u>		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2018 or the tax year beginning in 2018? See the instructions for Part XIV. If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

Form 990-PF (2018)

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?	X	
Website address N/A		
14 The books are in care of US TRUST - BANK OF AMERICA Telephone no. 201-209-1830		
Located at 901 MAIN ST, FL 19, DALLAS, TX ZIP+4 75202-3735		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - check here <input type="checkbox"/>		
and enter the amount of tax-exempt interest received or accrued during the year 15 N/A		
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?		X
See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country N/A		

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

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

	Yes	No
1a During the year, did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input 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		X
Organizations relying on a current notice regarding disaster assistance, check here <input type="checkbox"/>		
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?		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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
If "Yes," list the years 2017		
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.)		X
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes <input checked="" 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.)	N/A	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2018?		X

Form 990-PF (2018)

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))?	<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	N/A	5b
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?	N/A	
If "Yes," attach the statement required by Regulations section 53.4945-5(d).	<input type="checkbox"/> Yes <input type="checkbox"/> No	
6a 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?		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?	<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	7b
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**1** List all officers, directors, trustees, and foundation managers and their compensation.

(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
BANK OF AMERICA	TRUSTEE			
P.O. BOX 830241				
DALLAS, TX 75283	1.00	107,716.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). 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

Form 990-PF (2018)

THE KATHRYN H CRAIG STEPHEN DUDLEY HEARD
AND LILLIE D HEARD MEMORIAL

Form 990-PF (2018)

75-6154235

Page 7

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)

3 Five highest-paid independent contractors for professional services. 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	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

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.	
3	

Total. Add lines 1 through 3

0.

Form 990-PF (2018)

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	15,154,298.
b	Average of monthly cash balances	1b	415,970.
c	Fair market value of all other assets	1c	1,178,626.
d	Total (add lines 1a, b, and c)	1d	16,748,894.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	16,748,894.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	251,233.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	16,497,661.
6	Minimum investment return. Enter 5% of line 5	6	824,883.

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	824,883.
2a	Tax on investment income for 2018 from Part VI, line 5	2a	21,466.
b	Income tax for 2018. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	21,466.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	803,417.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	803,417.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	803,417.

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	46,738.
b	Program-related investments - total from Part IX-B	1b	0.
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	46,738.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	46,738.

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.

**THE KATHRYN H CRAIG STEPHEN DUDLEY HEARD
AND LILLIE D HEARD MEMORIAL**

Form 990-PF (2018)

75-6154235

Page 9

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				803,417.
2 Undistributed income, if any, as of the end of 2018				
a Enter amount for 2017 only			732,513.	
b Total for prior years:		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: ► \$ 46,738.				
a Applied to 2017, but not more than line 2a			46,738.	
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				0.
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 instr.			685,775.	
f Undistributed income for 2018. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2019				803,417.
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	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				

THE KATHRYN H CRAIG STEPHEN DUDLEY HEARD
AND LILLIE D HEARD MEMORIAL

Form 990-PF (2018)

75-6154235 Page 11

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				
NONE				
Total			3a	0.
b Approved for future payment				
NONE				
Total			3b	0.

Form 990-PF (2018)

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclu- sion 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						
4 Dividends and interest from securities			14	298,988.		
5 Net rental income or (loss) from real estate:						
a Debt-financed property						
b Not debt-financed property			16	40,518.		
6 Net rental income or (loss) from personal property						
7 Other investment income			15	2,082.		
8 Gain or (loss) from sales of assets other than inventory			18	817,673.		
9 Net income or (loss) from special events						
10 Gross profit or (loss) from sales of inventory						
11 Other revenue						
a NONDIVIDEND						
b DISTRIBUTIONS			01	380.		
c _____						
d _____						
e _____						
12 Subtotal. Add columns (b), (d), and (e)		0.		1,159,641.		0.
13 Total. Add line 12, columns (b), (d), and (e)					13	1,159,641.

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

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

[illegible]

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)(3) (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. | | |

[illegible]

- 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
N/A		

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge				May the IRS discuss this return with the preparer shown below? See instr. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
	Signature of officer or trustee <u>Nina F. Behan</u>		Date <u>11-7-19</u>			Title <u>TRUSTEE</u>	
Paid Preparer Use Only	Print/Type preparer's name		Preparer's signature		Date <u>11-6-19</u>	Check <input type="checkbox"/> if self-employed	PTIN <u>P01603075</u>
	<u>ALLISON BROWN</u>		<u>Allison Brown</u>		Firm's EIN <u>41-0746749</u>		Firm's name <u>CLIFTONLARSONALLEN LLP</u>
	Firm's address <u>5001 SPRING VALLEY ROAD, SUITE 600W DALLAS, TX 75244</u>					Phone no. <u>972-383-5700</u>	

Form **990-PF** (2018)

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
CAPITAL GAIN DISTRIBUTIONS	72,622.	72,622.	0.	0.	
DOMESTIC DIVIDENDS	113,306.	0.	113,306.	113,306.	
FOREIGN DIVIDENDS	71,575.	0.	71,575.	71,575.	
FOREIGN INTEREST	387.	0.	387.	387.	
INVESCO DBC DIVIDENDS	1,908.	0.	1,908.	1,908.	
INVESCO DBC INTEREST	9,063.	0.	9,063.	9,063.	
NQ DOMESTIC DIVIDENDS	49,532.	0.	49,532.	49,532.	
NQ FOREIGN DIVIDENDS	21,083.	0.	21,083.	21,083.	
NQ STCG DIVIDENDS	6,978.	0.	6,978.	6,978.	
OID ON USGI	565.	0.	565.	565.	
OTHER INTEREST	8,849.	0.	8,849.	8,849.	
SECTION 199A DIVIDENDS	4,619.	0.	4,619.	4,619.	
STCG DIVIDENDS	2,237.	0.	2,237.	2,237.	
US GOVT INTEREST	3,446.	0.	3,446.	3,446.	
USGI NQ DIVIDENDS	5,440.	0.	5,440.	5,440.	
TO PART I, LINE 4	371,610.	72,622.	298,988.	298,988.	

FORM 990-PF RENTAL INCOME STATEMENT 2

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
	1	58,500.
TOTAL TO FORM 990-PF, PART I, LINE 5A		58,500.

FORM 990-PF	RENTAL EXPENSES	STATEMENT	3
-------------	-----------------	-----------	---

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
DEPRECIATION		591.	
INSURANCE		1,398.	
PROPERTY TAXES		15,993.	
- SUBTOTAL -	1		17,982.
TOTAL RENTAL EXPENSES			17,982.
NET RENTAL INCOME TO FORM 990-PF, PART I, LINE 5B			40,518.

FORM 990-PF

GAIN OR (LOSS) FROM SALE OF ASSETS

STATEMENT

4

(A) DESCRIPTION OF PROPERTY		MANNER ACQUIRED		DATE ACQUIRED		DATE SOLD	
		PURCHASED					
		(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS	
SALE OF MARKETABLE SECURITIES		2,078,585.	1,956,516.	0.	0.	122,069.	

(A) DESCRIPTION OF PROPERTY		MANNER ACQUIRED		DATE ACQUIRED		DATE SOLD	
		PURCHASED					
		(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS	
SALE OF MARKETABLE SECURITIES		2,224,905.	2,117,766.	0.	0.	107,139.	

(A) DESCRIPTION OF PROPERTY		MANNER ACQUIRED		DATE ACQUIRED		DATE SOLD	
		PURCHASED					
		(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS	
COMMON TRUST FUNDS		-20,301.	0.	0.	0.	-20,301.	

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED		DATE ACQUIRED	DATE SOLD
COMMON TRUST FUNDS	PURCHASED			
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
642,049.	0.	0.	0.	642,049.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED		DATE ACQUIRED	DATE SOLD
INVESCO DBC	PURCHASED			
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
-4,103.	0.	0.	0.	-4,103.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED		DATE ACQUIRED	DATE SOLD
INVESCO DBC	PURCHASED			
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
-100,215.	0.	0.	0.	-100,215.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED		DATE ACQUIRED	DATE SOLD
ORDINARY GAIN	PURCHASED			
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
0.	0.	0.	0.	-1,587.

NET GAIN OR LOSS FROM SALE OF ASSETS	745,051.
CAPITAL GAINS DIVIDENDS FROM PART IV	72,622.
TOTAL TO FORM 990-PF, PART I, LINE 6A	817,673.

FORM 990-PF	OTHER INCOME	STATEMENT	5
-------------	--------------	-----------	---

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
ROYALTY INCOME	2,189.	2,189.	
AD VALOREM TAXES	-11.	-11.	
ROYALTY - OTHER EXPENSE	-15.	-15.	
PRODUCTION TAXES	-81.	-81.	
NONDIVIDEND DISTRIBUTIONS	380.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	2,462.	2,082.	

FORM 990-PF	ACCOUNTING FEES	STATEMENT	6
-------------	-----------------	-----------	---

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
RETURN PREPARATION AND REVIEW	9,129.	5,477.		3,652.
TO FORM 990-PF, PG 1, LN 16B	9,129.	5,477.		3,652.

FORM 990-PF	TAXES	STATEMENT	7
-------------	-------	-----------	---

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	8,775.	8,775.		0.
EXCISE TAXES	41,000.	0.		0.
TO FORM 990-PF, PG 1, LN 18	49,775.	8,775.		0.

FORM 990-PF	OTHER EXPENSES		STATEMENT	8
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT EXPENSES	4,685.	4,685.		0.
ALLOCABLE EXPENSES CTF	3,002.	3,002.		0.
INVESTMENT ADVISORY FEES	999.	999.		0.
INSURANCE	1,398.	1,398.		0.
PROPERTY TAXES	15,993.	15,993.		0.
TO FORM 990-PF, PG 1, LN 23	26,077.	26,077.		0.

FOOTNOTES

STATEMENT 9

FORM 990-PF - PART VIII, LINE 1(B) - AVERAGE HOURS PER WEEK DEVOTED TO POSITION: THE COMPENSATION SHOWN ON THE RETURN THAT IS PAID TO BANK OF AMERICA, N.A. AS CORPORATE TRUSTEE IS NOT CALCULATED BASED UPON AN HOURLY RATE FOR TIME SPENT BY THE TRUSTEE; RATHER, BANK OF AMERICA'S COMPENSATION AS CORPORATE TRUSTEE IS CALCULATED USING A MARKET VALUE FEE SCHEDULE. THE TRUST OFFICER'S TIME SPENT PERFORMING ADMINISTRATIVE RESPONSIBILITIES FOR THIS FOUNDATION AVERAGES ONE HOUR PER WEEK. IN ADDITION, TIME IS SPENT BY OTHER STAFF MEMBERS FOR RECORDKEEPING, INVESTMENT MANAGEMENT, INCOME COLLECTION, RENDERING STATEMENTS AND ACCOUNTINGS, REGULATORY REPORTING, REGULATORY COMPLIANCE, AND TAX SERVICES.

FORM 990-PF DEPRECIATION OF ASSETS HELD FOR INVESTMENT STATEMENT 10

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
BUILDING	178,017.	178,017.	0.
IMPROVEMENTS	12,940.	12,940.	0.
PAVEMENT	3,167.	3,167.	0.
PAVEMENT	3,048.	3,048.	0.
ROOF	8,960.	7,325.	1,635.
FENCING	3,000.	3,000.	0.
DIESEL TANK UPGRADE	24,490.	24,490.	0.
REMOVAL OF OLD TANK	11,755.	11,755.	0.
BUILDING IMPROVEMENTS	11,959.	4,746.	7,213.
LAND	109,339.	0.	109,339.
SALE LEGAL FEES	5,500.	0.	5,500.
APPRAISAL OF PROPERTY	3,000.	0.	3,000.
APPRAISAL OF PROPERTY	3,000.	0.	3,000.
TOTAL TO FM 990-PF, PART II, LN 11	378,175.	248,488.	129,687.

FORM 990-PF OTHER INVESTMENTS STATEMENT 11

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
INVESTMENTS	COST	13,817,142.	13,476,801.
TOTAL TO FORM 990-PF, PART II, LINE 13		13,817,142.	13,476,801.

FORM 990-PF OTHER LIABILITIES STATEMENT 12

DESCRIPTION	BOY AMOUNT	EOY AMOUNT
INCOME DUE BENEFICIARIES - PRIOR YEARS	6,645.	6,645.
TOTAL TO FORM 990-PF, PART II, LINE 22	6,645.	6,645.