

Form **990-PF**

OMB No 1545-0052

Return of Private Foundation
or Section 4947(a)(1) Trust Treated as Private Foundation**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 12/01, 2018, and ending 11/30, 2019

M. G. & LILLIE A. JOHNSON
FOUNDATION, INC.
P. O. BOX 2269
VICTORIA, TX 77902-2269

A Employer identification number

74-6076961

B Telephone number (see instructions)

(361) 575-7970

C If exemption application is pending, check here ☐**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☐ 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)

\$ 172,452,067.

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)

1 Contributions, gifts, grants, etc., received (attach schedule)

2 Check ☒ if the foundation is not required to attach Sch B

3 Interest on savings and temporary cash investments

4 Dividends and interest from securities

5a Gross rents

b Net rental income or (loss) 71,900.

6a Net gain or (loss) from sale of assets not on line 10

b Gross sales price for all assets on line 6a 1,568,743.

7 Capital gain net income (from Part IV, line 2)

8 Net short-term capital gain

9 Income modifications

10a Gross sales less returns and allowances

b Less Cost of goods sold

c Gross profit or (loss) (attach schedule)

11 Other income (attach schedule)

SEE STATEMENT 1

12 Total. Add lines 1 through 11

13 Compensation of officers, directors, trustees, etc

14 Other employee salaries and wages

15 Pension plans, employee benefits

16a Legal fees (attach schedule)

b Accounting fees (attach sch) SEE ST 2

c Other professional fees (attach sch) SEE ST 3

17 Interest

18 Taxes (attach schedule) (see instrs) SEE STM 4

19 Depreciation (attach schedule) and depletion

20 Occupancy

21 Travel, conferences, and meetings

22 Printing and publications

23 Other expenses (attach schedule)

SEE STATEMENT 5

24 Total operating and administrative expenses. Add lines 13 through 23

25 Contributions, gifts, grants paid

26 Total expenses and disbursements. Add lines 24 and 25

27 Subtract line 26 from line 12:

a Excess of revenue over expenses and disbursements

b Net investment income (if negative, enter -0-)

c Adjusted net income (if negative, enter -0-)

SCANNED JUL 13 2020

02 Received In MAY 11 2020
02 Batched Ogden

Revenue

Operating and Administrative Expenses

RECEIVED

MAR 25 2020

OGDEN, UT

USC

IRSC

IRSC

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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		9,618,830.	200,000.	200,000.		
	2 Savings and temporary cash investments		12,840,000.	25,220,754.	25,283,730.		
	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)		250,458.	250,458.	253,813.		
	b Investments — corporate stock (attach schedule)		58,085,365.	74,116,139.	121,921,454.		
	c Investments — corporate bonds (attach schedule)		17,821,316.	4,746,473.	4,380,278.		
	11 Investments — land, buildings, and equipment basis	2,680,329.					
Liabilities	Less: accumulated depreciation (attach schedule) SEE STMT 6		2,680,329.	2,680,329.	5,026,348.		
	12 Investments — mortgage loans						
	13 Investments — other (attach schedule)						
	14 Land, buildings, and equipment basis	16,687.					
	Less: accumulated depreciation (attach schedule) SEE STMT 7	16,687.	524.				
	15 Other assets (describe SEE STATEMENT 8)		32,287.	166,748.	15,386,444.		
	16 Total assets (to be completed by all filers — see the instructions. Also, see page 1, item I.)		101,329,109.	107,380,901.	172,452,067.		
	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. ☐						
	24 Unrestricted						
	25 Temporarily restricted						
	26 Permanently restricted						
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ☒						
	27 Capital stock, trust principal, or current funds		101,329,109.	107,380,901.			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund						
	29 Retained earnings, accumulated income, endowment, or other funds						
	30 Total net assets or fund balances (see instructions)		101,329,109.	107,380,901.			
	31 Total liabilities and net assets/fund balances (see instructions)		101,329,109.	107,380,901.			

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	101,329,109.
2 Enter amount from Part I, line 27a	2	6,051,792.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	107,380,901.
5 Decreases not included in line 2 (itemize)	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	107,380,901.

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		P		
b	DELL COMPUTER	P	12/15/06	11/30/19
c	CAPITAL GAIN DIVIDENDS			
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 1,260,437.			1,260,437.
b	1,799.	1,799.	0.
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			1,260,437.
b			0.
c			308,306.
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	1,568,743.
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	1,260,437.

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	6,765,160.	157,606,661.	0.042924
2016	5,858,344.	136,938,896.	0.042781
2015	5,870,471.	121,435,922.	0.048342
2014	4,997,596.	126,622,936.	0.039468
2013	4,390,225.	109,378,328.	0.040138

2 Total of line 1, column (d)	2	0.213653
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	0.042731
4 Enter the net value of noncharitable-use assets for 2018 from Part X, line 5	4	163,693,569.
5 Multiply line 4 by line 3	5	6,994,790.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	139,764.
7 Add lines 5 and 6	7	7,134,554.
8 Enter qualifying distributions from Part XII, line 4	8	7,784,885.

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

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

1 a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter 'N/A' on line 1.
Date of ruling or determination letter: _____ (attach copy of letter if necessary – see instructions)

b Domestic foundations that meet the section 4940(e) requirements in Part V, check here. ☒ and enter 1% of Part I, line 27b

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-)

3 Add lines 1 and 2

4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only; others, enter -0-)

5 **Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-

6 Credits/Payments:

a 2018 estimated tax pmts and 2017 overpayment credited to 2018

b Exempt foreign organizations – tax withheld at source

c Tax paid with application for extension of time to file (Form 8868)

d Backup withholding erroneously withheld

7 Total credits and payments. Add lines 6a through 6d

8 Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached

9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed

10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid

11 Enter the amount of line 10 to be: Credited to 2019 estimated tax 166,747. Refunded

1	139,764.
2	0.
3	139,764.
4	0.
5	139,764.
6a	306,511.
6b	
6c	
6d	
7	306,511.
8	
9	0.
10	166,747.
11	0.

Part VII A Statements Regarding Activities

1 a 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?

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

c Did the foundation file **Form 1120-POL** for this year?

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.

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

4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?

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

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?

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

8 a Enter the states to which the foundation reports or with which it is registered. See instructions
TX

b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If 'No,' attach explanation

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

10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses

	Yes	No
1 a		X
1 b		X
1 c		X
2		X
3		X
4 a		X
4 b	N/A	
5		X
6	X	
7	X	
8 b	X	
9		X
10		X

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Part VII-A Statements Regarding Activities (continued)

	Yes	No
11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' attach schedule. See instructions		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: <u>MGLAJOHNSONFOUNDATION.COM</u>	X	
14 The books are in care of <u>ROBERT HALEPESKA</u> Telephone no. <u>(361) 575-7970</u> Located at <u>ONE O'CONNOR PLAZA, STE 905 VICTORIA TX</u> ZIP + 4 <u>77901</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	☐
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?	☐ Yes ☒ No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☒ Yes ☐ No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No	
(6) Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes ☒ No	
b If any answer is 'Yes' to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance? See instructions Organizations relying on a current notice regarding disaster assistance, check here		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?		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? If 'Yes,' list the years <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>	☐ Yes ☒ No	
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement – see instructions.)		N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
3 a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No	
b If 'Yes,' did it have excess business holdings in 2018 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2018.)		N/A
4 a 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

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**(1)** Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?☐ Yes ☒ No**(2)** Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?☐ Yes ☒ No**(3)** Provide a grant to an individual for travel, study, or other similar purposes?☐ Yes ☒ No**(4)** Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? See instructions☐ Yes ☒ No**(5)** Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?☐ Yes ☒ No**b** If any answer is 'Yes' to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance? See instructions**5 b** N/A

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

☐**c** If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?N/A ☐ Yes ☐ No

If 'Yes,' attach the statement required by Regulations section 53.4945–5(d)

6 a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?☐ Yes ☒ No**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?**6 b** X

If 'Yes' to 6b, file Form 8870

7 a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No**b** If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

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?☐ Yes ☒ No**Part VIII** Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, and foundation managers and their compensation. See instructions.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 9		260,947.	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
WELLS FARGO BANK ONE O'CONNOR PLAZA VICTORIA, TX 77901	INVESTMENT ADVISORY	118,430.
UBS FINANCIAL SERVICES, INC. 15958 CITY WALK #240 HOUSTON, TX 77479-6584	INVESTMENT ADVISORY	82,424.
PROSPERITY BANK 101 S. MAIN VICTORIA, TX 77901	INVESTMENT ADVISORY	51,365.
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.	
3	
Total. Add lines 1 through 3	0.

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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	131,560,315.
b	Average of monthly cash balances	1b	14,380,003.
c	Fair market value of all other assets (see instructions)	1c	20,246,046.
d	Total (add lines 1a, b, and c)	1d	166,186,364.
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	166,186,364.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	2,492,795.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	163,693,569.
6	Minimum investment return. Enter 5% of line 5	6	8,184,678.

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	8,184,678.
2a	Tax on investment income for 2018 from Part VI, line 5	2a	139,764.
b	Income tax for 2018 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	139,764.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	8,044,914.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	8,044,914.
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	8,044,914.

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	7,784,885.
b	Program-related investments — total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	7,784,885.
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	139,764.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	7,645,121.

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				8,044,914.
2 Undistributed income, if any, as of the end of 2018.				
a Enter amount for 2017 only			7,190,532.	
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. ▶ \$ 7,784,885.				
a Applied to 2017, but not more than line 2a			7,190,532.	
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				594,353.
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				7,450,561.
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				

BAA

Form 990-PF (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)

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

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

1 Information Regarding Foundation Managers:

- a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))
- 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 10

- 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
<i>a</i> Paid during the year SCHEDULE ATTACHED		N/A		7,729,010.
Total			3 a	7,729,010.
<i>b</i> Approved for future payment				
Total			3 b	

M. G. & LILLIE A. JOHNSON
FOUNDATION, INC.

74-6076961

STATEMENT 1
FORM 990-PF, PART I, LINE 11
OTHER INCOME

	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
OIL & GAS RELATED INCOME	\$ 231,235.	\$ 231,235.	
OIL & GAS ROYALTIES	9,908,210.	9,908,210.	
TOTAL	<u>\$10,139,445.</u>	<u>\$10,139,445.</u>	<u>\$ 0.</u>

STATEMENT 2
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BUMGARDNER MORRISON & CO	\$ 2,500.			\$ 2,500.
ROLOFF HNATEK & CO.	11,110.			11,110.
TOTAL	<u>\$ 13,610.</u>	<u>\$ 0.</u>		<u>\$ 13,610.</u>

STATEMENT 3
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
AMERITRADE (SATHER FINANCIAL)	\$ 46,508.	\$ 46,508.		
PROSPERITY BANK	51,365.	51,365.		
UBS FINANCIAL SERVICES	82,424.	82,424.		
WELLS FARGO ADVISORS	118,430.	118,430.		
TOTAL	<u>\$ 298,727.</u>	<u>\$ 298,727.</u>		<u>\$ 0.</u>

STATEMENT 4
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
AD VALOREM TAXES	\$ 274,717.	\$ 274,717.		
EMPLOYEE BENEFITS	138.	138.		
EXCISE	139,764.			
FOREIGN TAXES	24,921.	24,921.		
PAYROLL TAXES	15,291.	15,291.		
SEVERANCE TAXES	325,840.	325,840.		
TOTAL	<u>\$ 780,671.</u>	<u>\$ 640,907.</u>		<u>\$ 0.</u>

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STATEMENT 5
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
DUES & SUBSCRIPTIONS	\$ 5,506.	\$ 5,506.		
INSURANCE	10,997.	10,997.		
OFFICE EXPENSE	6,679.	6,679.		
OTHER INVESTMENT FEES	3,072.	3,072.		
TOTAL	<u>\$ 26,254.</u>	<u>\$ 26,254.</u>		<u>\$ 0.</u>

STATEMENT 6
FORM 990-PF, PART II, LINE 11
INVESTMENTS - LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE	FAIR MARKET VALUE
LAND	\$ 2,680,329.		\$ 2,680,329.	\$ 5,026,348.
TOTAL	<u>\$ 2,680,329.</u>	<u>\$ 0.</u>	<u>\$ 2,680,329.</u>	<u>\$ 5,026,348.</u>

STATEMENT 7
FORM 990-PF, PART II, LINE 14
LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE	FAIR MARKET VALUE
FURNITURE AND FIXTURES	\$ 16,687.	\$ 16,687.	\$ 0.	\$ 0.
TOTAL	<u>\$ 16,687.</u>	<u>\$ 16,687.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

STATEMENT 8
FORM 990-PF, PART II, LINE 15
OTHER ASSETS

	BOOK VALUE	FAIR MARKET VALUE
EXCISE TAX OVERPAYMENT	\$ 166,747.	\$ 166,747.
MINERAL INTERESTS	1.	15,219,697.
TOTAL	<u>\$ 166,748.</u>	<u>\$ 15,386,444.</u>

M. G. & LILLIE A. JOHNSON
FOUNDATION, INC.

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STATEMENT 9
FORM 990-PF, PART VIII, LINE 1
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
M. H. BROCK 807 S. HANOVER EDNA, TX 77957	CHAIRMAN 3.00	\$ 1,500.	\$ 0.	\$ 0.
RUSSELL MARSHALL 6017 COUNTRY CLUB DRIVE VICTORIA, TX 77904	TRUSTEE 1.00	2,000.	0.	0.
DICK KOOP 1258 CR 312 EDNA, TX 77957	TRUSTEE 1.00	1,000.	0.	0.
ROSEMARY RUST 616 BOB-O-LINK LANE WHARTON, TX 77488	TRUSTEE 1.00	1,500.	0.	0.
JACK R. MORRISON, JR. P. O. BOX 3750 VICTORIA, TX 77903	SEC/TREAS 2.00	2,000.	0.	0.
JAMES A. BOULIGNY 1305 AVENUE K EL CAMPO, TX 77437	VICE CHAIR 1.00	1,500.	0.	0.
TERRELL MULLINS 503 E. FOURTH STREET HALLETTSVILLE, TX 77964	TRUSTEE 1.00	2,000.	0.	0.
ROBERT L. HALEPESKA 206 TRACY LANE VICTORIA, TX 77904	EXEC VICE PRES 40.00	249,447.	0.	0.
TOTAL		\$ 260,947.	\$ 0.	\$ 0.

STATEMENT 10
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION

NAME OF GRANT PROGRAM:
NAME:
CARE OF:
STREET ADDRESS:
CITY, STATE, ZIP CODE:
TELEPHONE:
E-MAIL ADDRESS:
FORM AND CONTENT:

M. G. & LILLIE A. JOHNSON FOUNDATION
ROBERT HALEPESKA
P. O. BOX 2269
VICTORIA, TX 77902
(361) 575-7970

GRANT APPLICATIONS MUST BE SUBMITTED IN WRITING, SHOULD INCLUDE BIOGRAPHICAL INFORMATION ABOUT THE PROSPECTIVE GRANTEE AND MUST INCLUDE SATISFACTORY EVIDENCE TO ASSURE OUR TRUSTEES THAT THE APPLICANT IS A QUALIFIED ORGANIZATION TO WHICH THE JOHNSON FOUNDATION MAY PROVIDE FUNDS IN ACCORDANCE WITH PERTINENT INTERNAL REVENUE

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M. G. & LILLIE A. JOHNSON
FOUNDATION, INC.

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STATEMENT 10 (CONTINUED)
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION

SUBMISSION DEADLINES:
RESTRICTIONS ON AWARDS:

SERVICE CODE SECTIONS AND REGULATIONS. THE APPLICANT SHOULD ALSO SPECIFY THE AMOUNT OF FUNDS REQUESTED, THE INTENDED USE OF THE FUNDS AND THE ANTICIPATED LENGTH OF TIME WITHIN WHICH THE FUNDS WILL BE EXPENDED.
30 DAYS PRIOR TO THE MEETING DATE(S) OF THE TRUSTEES
GENERALLY PREFER TO CONFINE FUNDING TO HEALTH CARE OR HIGHER EDUCATION RELATED GRANTEEES.

GRANTS PAID FOR THE YEAR ENDING NOVEMBER 30, 2019

\$75,000.00 to the Calhoun County EMS to purchase a Ford Transit 350 High Top Roof Type II ambulance.

\$5,000.00 to the Cuero Public Library to purchase a computer and printer for its Maker Space program.

\$113,700.00 to the City of Hallettsville to renovate the Lillie Appelt Johnson Youth Center.

\$37,500.00 to the Palacios Community Medical Center to purchase an ultrasound machine and equipment for the Lab and X-Ray Departments.

\$3,600.00 to Team First Book Matagorda County to purchase books for disadvantaged children in Matagorda County.

\$160,000.00 to the Refugio County Memorial Hospital to purchase a Hematology Analyzer and an Immunoassay Analyzer.

\$55,000.00 to the Boys & Girls Club of Victoria to purchase a 14 passenger van.

\$50,000.00 to the Mid-Coast Family Services to purchase furnishings for the Women's Crisis Center and for its apartments used to house chronically homeless people with disabilities.

\$50,000.00 to the Perpetual Help Home to renovate its singles house.

\$15,000.00 to The YMCA of the Golden Crescent to purchase a new STEM program for its summer camp and after school program.

\$50,000.00 to The Center to convert a residence from gas to electricity and purchase updated equipment.

\$150,000.00 to Devereaux to renovate the Barclay Education Center building.

\$100,000.00 to the Wharton County Junior College to construct a driveway and canopy for the Fine Arts Building at the College.

\$50,000.00 to the Victoria County Volunteer Fire Department to purchase bunker gear for its firefighters.

\$24,560.00 to Goliad County Outreach to purchase a freezer and cooler.

\$51,500.00 to the Goliad County EMS to purchase two Stryker power loads for its ambulances.

\$350,000.00 to the Jackson County Hospital District to purchase a GE 3D Mammography System for the Jackson County Hospital.

\$20,000.00 to the Texas Barnstorming Museum to purchase a Cessna 172 for its student flight training program.

\$20,000.00 to Promise Pointe to remodel and repair an existing facility to house the residents' bathrooms, clothes washing facility, library and recreation area.

\$250,000.00 to The Victoria College for direct scholarships for Workforce and Allied Health Continuing Education, Credit Programs in Allied Health Careers and special initiatives that concentrate on new and enhanced program success, enrollment or retention.

\$350,000.00 to the Wharton County Junior College to purchase instructional equipment and materials for the Allied Health Programs.

\$70,000.00 to the Coastal Bend College to construct a radiographic laboratory room.

\$50,000.00 to the City of Port Lavaca Fire Department to help put in a new communication system. Rosemary Rust declined this request.

\$50,000.00 to Colorado County EMS to purchase a chassis and remount a refurbished box for a new ambulance.

\$50,000.00 to the Cuero Volunteer Fire Department to purchase a brush truck for brush and grass fires.

\$500,000.00 to Texana for a new electronic health records system.

\$1,150.00 to the Jackson County Memorial Library to purchase animal kits for its Teddy Bear Workshop.

\$50,000.00 to the Jackson County EMS District No. 3 to purchase a chassis for a new brush truck.

\$30,000.00 to Community Connections of Lavaca County to renovate its Yoakum and Shiner Centers and to implement a technology upgrade for its transit drivers' electronic tablets.

\$50,000.00 to the Hallettsville Volunteer Fire Department to purchase a Fire Utility Truck and radio system.

\$8,000.00 to the Palacios Library, Inc. to purchase two new air-conditioning units.

\$40,000.00 to the Boys & Girls Club of Bay City and Matagorda County to help fund the demolition and construction of two covered walk-ways.

\$25,000.00 to the Palacios Volunteer Fire Department to purchase two breathing apparatuses with air mask, wildland coveralls and additional air cylinders.

\$12,500.00 to the Austwell Volunteer Fire Department to help equip a 2004 military truck to be converted into a brush and high-water truck.

\$50,000.00 to the Welder Wildlife Foundation to help purchase a 30 passenger, wheel-chair accessible and ADA compliant bus.

\$260,000.00 to the Mid-Coast Family Services to construct a Family Support Wing at the Women's Crisis Center,

\$500,000.00 to the Vine School to purchase a new building for its school.

\$25,000.00 to the Billy Catt Recovery Outreach Center for a technology upgrade.

\$26,500.00 to the Boys & Girls Club of El Campo to replace a metal roof, install security cameras and replace some doors with termite damage.

\$50,000.00 to the El Campo EMS to help purchase a new ambulance and stretcher locking system.

\$350,000.00 to the Wharton County Junior College for direct scholarships for students enrolled in the Allied Health Programs.

\$1,000,000.00 to the El Campo Memorial Hospital. This grant award is in the amount of \$5,000,000.00 and will be paid in five equal installments beginning in November 2019. This grant is subject to the hospital receiving funding from the USDA's Community Facilities Direct Loan & Grant Program in the amount of \$36,600,000.00.

\$800,000.00 to the University of Houston-Victoria. \$350,000.00 will be for direct scholarships for students attending UHV and living in the counties and pursuing degrees supported by the Johnson Foundation. \$450,000.00 will be used to construct a Visualization Theater in the University's new STEM Building.

\$1,750,000.00 to the Victoria College to construct a Comprehensive Student Center. The grant award is in the amount of \$5,250,000.00 and will be paid in three installments of \$1,750,000.00 over a three year period starting in November of 2019.

Total Grants Paid-\$7,729.010.00