

Form **990-PF**

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

OMB No. 1545-0052

2015

Department of the Treasury
Internal Revenue Service

Do not enter social security numbers on this form as it may be made public.
Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

Open to Public Inspection

For calendar year 2015 or tax year beginning , and ending

Name of foundation McFadin Foundation		A Employer identification number 74-2834099
Number and street (or P.O. box number if mail is not delivered to street address) 1250 NE Loop 410, Suite 400 RM 400	Room/suite	B Telephone number (see instructions) 210-828-3573
City or town, state or province, country, and ZIP or foreign postal code San Antonio TX 78209		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) u \$ 1,959,087	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) (see instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check u <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	30,150	30,150	30,150	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	193,794			
	b Gross sales price for all assets on line 6a 208,862				
	7 Capital gain net income (from Part IV, line 2)		193,794		
	8 Net short-term capital gain			0	
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	223,944	223,944	30,150		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	0			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) stmt 1	955			
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see instructions) stmt 2	7,508			
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (att. sch.)				
	24 Total operating and administrative expenses. Add lines 13 through 23	8,463	0	0	0
25 Contributions, gifts, grants paid	76,500			76,500	
26 Total expenses and disbursements. Add lines 24 and 25	84,963	0	0	76,500	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	138,981				
b Net investment income (if negative, enter -0-)		223,944			
c Adjusted net income (if negative, enter -0-)			30,150		

For Paperwork Reduction Act Notice, see instructions.

Form **990-PF** (2015)

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	764	789	789
	2 Savings and temporary cash investments	344,011	458,698	458,698
	3 Accounts receivable u			
	Less: allowance for doubtful accounts u			
	4 Pledges receivable u			
	Less: allowance for doubtful accounts u			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (att. schedule) u			
	Less: allowance for doubtful accounts u	0		
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments – U.S. and state government obligations (attach schedule)			
	b Investments – corporate stock (attach schedule) See Stmt 3	523,593	547,862	1,499,600
	c Investments – corporate bonds (attach schedule)			
	11 Investments – land, buildings, and equipment: basis u			
Less: accumulated depreciation (attach sch.) u				
12 Investments – mortgage loans				
13 Investments – other (attach schedule)				
14 Land, buildings, and equipment: basis u				
Less: accumulated depreciation (attach sch.) u				
15 Other assets (describe u)				
16 Total assets (to be completed by all filers – see the instructions. Also, see page 1, item I)	868,368	1,007,349	1,959,087	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe u)			
	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. u <input checked="" type="checkbox"/>			
	24 Unrestricted	868,368	1,007,349	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. u <input type="checkbox"/>			
	27 Capital stock, trust principal, or current funds			
	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)	868,368	1,007,349		
31 Total liabilities and net assets/fund balances (see instructions)	868,368	1,007,349		

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	868,368
2 Enter amount from Part I, line 27a	2	138,981
3 Other increases not included in line 2 (itemize) u	3	
4 Add lines 1, 2, and 3	4	1,007,349
5 Decreases not included in line 2 (itemize) u	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	1,007,349

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 200 sh Cytec Industries	D	02/18/94	12/09/15
b 10772.42 sh Intl Game Technologies	D	01/19/00	04/07/15
c 1959 sh Intl Game Technologies	P	01/19/00	04/07/15
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 15,050		6,975	8,075
b 154,475		8,093	146,382
c 39,337			39,337
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) 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	
a			8,075
b			146,382
c			39,337
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	193,794
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8]	3	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

If "Yes," the foundation does not 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))
2014	50,000	1,629,868	0.030677
2013	25,000	1,041,209	0.024011
2012	25,000	470,981	0.053081
2011	28,200	498,625	0.056556
2010	20,000	569,034	0.035147

2 Total of line 1, column (d)	2	0.199472
3 Average distribution ratio for the 5-year base period – divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.039894
4 Enter the net value of noncharitable-use assets for 2015 from Part X, line 5	4	1,954,662
5 Multiply line 4 by line 3	5	77,979
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	2,239
7 Add lines 5 and 6	7	80,218
8 Enter qualifying distributions from Part XII, line 4	8	76,500

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <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	4,479
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	4,479
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	4,479
6	Credits/Payments:		
a	2015 estimated tax payments and 2014 overpayment credited to 2015	6a	
b	Exempt foreign organizations – tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	
8	Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	109
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	4,588
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11	Enter the amount of line 10 to be: Credited to 2016 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

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

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11	Yes	No X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address u MCFADINFOUNDAION.ORG	13	X	
14	The books are in care of u NICK MCFADIN III 1250 NE LOOP 410, #400 Located at u SAN ANTONIO TX ZIP+4 u 78209 Telephone no. u 210-828-3573			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here u <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year u 15			
16	At any time during calendar year 2015, 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 u	16	Yes	No 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
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 type="checkbox"/> Yes <input checked="" 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)? N/A Organizations relying on a current notice regarding disaster assistance check here u <input type="checkbox"/>	1b	
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 2015? N/A	1c	
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 2015, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2015? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years u 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.) N/A	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. u 20 , 20 , 20 , 20		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2015 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 2015.) N/A	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2015?	4b	X

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

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No

(3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions) Yes No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

b If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? **N/A** **5b**

Organizations relying on a current notice regarding disaster assistance check here **u**

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).

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** **X**

If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? **N/A** **7b**

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

1 List all officers, directors, trustees, 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
NICK MCFADIN III 1250 NE LOOP 410, #400 SAN ANTONIO TX 78209	VICE PRESIDE 0.50	0	0	0
TERRY MCFADIN 1250 NE LOOP 410, #400 SAN ANTONIO TX 78209	PRESIDENT 0.50	0	0	0
ROBERT A. GILLIAM 11010 COACHLIGHT ST., STE #200 SAN ANTONIO TX 78216	SECRETARY 0.50	0	0	0

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

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

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

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

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services		u

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	

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	1,516,823
b	Average of monthly cash balances	1b	467,605
c	Fair market value of all other assets (see instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	1,984,428
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	1,984,428
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	29,766
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,954,662
6	Minimum investment return. Enter 5% of line 5	6	97,733

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	97,733
2a	Tax on investment income for 2015 from Part VI, line 5	2a	4,479
b	Income tax for 2015. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	4,479
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	93,254
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	93,254
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	93,254

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	76,500
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	76,500
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	76,500

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 2014	(c) 2014	(d) 2015
1 Distributable amount for 2015 from Part XI, line 7				93,254
2 Undistributed income, if any, as of the end of 2015:				
a Enter amount for 2014 only			73,664	
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2015:				
a From 2010				
b From 2011				
c From 2012				
d From 2013				
e From 2014				
f Total of lines 3a through e				
4 Qualifying distributions for 2015 from Part XII, line 4: u \$ <u>76,500</u>				
a Applied to 2014, but not more than line 2a			73,664	
b Applied to undistributed income of prior years (Election required – see instructions)				
c Treated as distributions out of corpus (Election required – see instructions)				
d Applied to 2015 distributable amount				2,836
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2015 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount – see instructions				
e Undistributed income for 2014. Subtract line 4a from line 2a. Taxable amount – see instructions				
f Undistributed income for 2015. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2016				90,418
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required—see instructions)				
8 Excess distributions carryover from 2010 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2016. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9:				
a Excess from 2011				
b Excess from 2012				
c Excess from 2013				
d Excess from 2014				
e Excess from 2015				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2015, enter the date of the ruling **u**

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

2a 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				(e) Total
	(a) 2015	(b) 2014	(c) 2013	(d) 2012	
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).)
N/A

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.
N/A

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

Check here **u** 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. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number or e-mail address of the person to whom applications should be addressed:
N/A

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

c Any submission deadlines:
N/A

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

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

Recipient	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
Name and address (home or business)				
a Paid during the year CANCER THERAPY AND RESEARCH 7979 WURZBACH RD #600 SAN ANTONIO TX 78229	NONE	PUBLIC	UNRESTRICTED	21,000
UT HEALTH SCIENCE CENTER 1700 FANNIN #1707 HOUSTON TX 77030	NONE	PUBLIC	UNRESTRICTED	21,000
M.D. ANDERSON HOSPITAL 1515 HOLCOMBE BLVD HOUSTON TX 77030	NONE	PUBLIC	UNRESTRICTED	21,000
RESPIRE CARE OF SAN ANTONIO INC PO BOX 12633 SAN ANTONIO TX 78212	NONE	PUBLIC	UNRESTRICTED	7,500
ST PJ'S ORPHANAGE 919 MISSION SAN ANTONIO TX 78210	NONE	PUBLIC	UNRESTRICTED	5,000
BUCKNER FANNING SCHOOL 975 MISSION SPRINGS SAN ANTONIO TX 78258	NONE	PUBLIC	UNRESTRICTED	500
ST. JUDE'S RANCH FOR CHILDREN 1400 RIVER CREEK LANE BULVERDE TX 78163	NONE	PUBLIC	UNRESTRICTED	500
Total			u 3a	76,500
b Approved for future payment N/A				
Total			u 3b	

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Tax preparation and web cost exp	\$ 955	\$	\$	\$
Total	\$ 955	\$ 0	\$ 0	\$ 0

Statement 2 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
2014 990PF tax	\$ 7,508	\$	\$	\$
Total	\$ 7,508	\$ 0	\$ 0	\$ 0

Federal Statements**Statement 3 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
300 SHSALTRIA GROUP INC	\$ 9,420	\$ 9,420	Cost	\$ 17,463
1000 SHS ARES CAPITAL GROUP	17,320	17,320	Cost	14,250
300 SHS Comcast	15,537	15,537	Cost	16,929
2500 SHS CONAGRA FOODS INC	74,888	74,888	Cost	105,400
1000 SHS Cullen Frost Bankers	74,200	74,200	Cost	60,000
100 SHS CYTEC INDUSTRIES INC	6,975		Cost	
138 SHS DUKE ENERGY CORP NEW	8,936	8,936	Cost	9,852
500 SHS EMC CORP MASS	12,830	12,830	Cost	12,840
440 SHS ELIZABETH ARDEN	20,988	20,988	Cost	4,356
800 SHS FORD MOTOR CO	11,209	11,209	Cost	11,272
800 SHS GARMIN LTD NEW	33,136	33,136	Cost	29,736
10772 SHS INTL GAME TECHNOLOGY	8,093	39,337	Cost	31,697
5000 SHS JOHN HANCOCK TAX AD FD	90,100	90,100	Cost	102,850
192 SHS KINDER MORGAN	6,564	6,564	Cost	2,864
450 SHS NATIONAL PRESTO INDS INC	32,553	32,553	Cost	37,287
312 Shire PLC ADR	43,951	43,951	Cost	63,960
30314 SHS SOUTHWEST AIRLINES CO	12,068	12,068	Cost	874,720
988 SHS TESORO CORP	44,154	44,154	Cost	104,106
KINDER MORGAN INC 17 WTS	671	671	Cost	18
Total	<u>\$ 523,593</u>	<u>\$ 547,862</u>		<u>\$ 1,499,600</u>

Form **2220**

Underpayment of Estimated Tax by Corporations

OMB No. 1545-0123

Department of the Treasury
Internal Revenue Service

u Attach to the corporation's tax return.
u Information about Form 2220 and its separate instructions is at www.irs.gov/form2220.

2015

Name **McFadin Foundation** Employer identification number **74-2834099**

Note: Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 38 on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220.

Part I Required Annual Payment

1 Total tax (see instructions)	1	4,479
2a Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1	2a	
b Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method	2b	
c Credit for federal tax paid on fuels (see instructions)	2c	
d Total. Add lines 2a through 2c	2d	
3 Subtract line 2d from line 1. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty	3	4,479
4 Enter the tax shown on the corporation's 2014 income tax return (see instructions). Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5	4	7,499
5 Required annual payment. Enter the smaller of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3	5	4,479

Part II Reasons for Filing—Check the boxes below that apply. If any boxes are checked, the corporation **must** file Form 2220 even if it does not owe a penalty (see instructions).

- 6** The corporation is using the adjusted seasonal installment method.
- 7** The corporation is using the annualized income installment method.
- 8** The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part III Figuring the Underpayment

	(a)	(b)	(c)	(d)
9 Installment due dates. Enter in column (a) through (d) the 15th day of the 4th (Form 990-PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	9 05/15/15	06/15/15	09/15/15	12/15/15
10 Required installments. If the box on line 6 and/or line 7 above is checked, enter the amounts from Schedule A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 5 above in each column	10 1,120	1,120	1,120	1,119
11 Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15	11			
12 Enter amount, if any, from line 18 of the preceding column	12			
13 Add lines 11 and 12	13			
14 Add amounts on lines 16 and 17 of the preceding column	14	1,120	2,240	3,360
15 Subtract line 14 from line 13. If zero or less, enter -0-	15 0	0	0	0
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-	16	1,120	2,240	
17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18	17 1,120	1,120	1,120	1,119
18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column	18			

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17—no penalty is owed.

For Paperwork Reduction Act Notice, see separate instructions.

Part IV Figuring the Penalty

	(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). (Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month.)				
19 See Worksheet				
20 Number of days from due date of installment on line 9 to the date shown on line 19				
20				
21 Number of days on line 20 after 4/15/2015 and before 7/1/2015				
21				
22 Underpayment on line 17 x $\frac{\text{Number of days on line 21}}{365}$ x 3%	\$	\$	\$	\$
22				
23 Number of days on line 20 after 6/30/2015 and before 10/1/2015				
23				
24 Underpayment on line 17 x $\frac{\text{Number of days on line 23}}{365}$ x 3%	\$	\$	\$	\$
24				
25 Number of days on line 20 after 9/30/2015 and before 1/1/2016				
25				
26 Underpayment on line 17 x $\frac{\text{Number of days on line 25}}{365}$ x 3%	\$	\$	\$	\$
26				
27 Number of days on line 20 after 12/31/2015 and before 4/1/2016				
27				
28 Underpayment on line 17 x $\frac{\text{Number of days on line 27}}{366}$ x 3%	\$	\$	\$	\$
28				
29 Number of days on line 20 after 3/31/2016 and before 7/1/2016				
29				
30 Underpayment on line 17 x $\frac{\text{Number of days on line 29}}{366}$ x *%	\$	\$	\$	\$
30				
31 Number of days on line 20 after 6/30/2016 and before 10/1/2016				
31				
32 Underpayment on line 17 x $\frac{\text{Number of days on line 31}}{366}$ x *%	\$	\$	\$	\$
32				
33 Number of days on line 20 after 9/30/2016 and before 1/1/2017				
33				
34 Underpayment on line 17 x $\frac{\text{Number of days on line 33}}{366}$ x *%	\$	\$	\$	\$
34				
35 Number of days on line 20 after 12/31/2016 and before 2/16/2017				
35				
36 Underpayment on line 17 x $\frac{\text{Number of days on line 35}}{365}$ x *%	\$	\$	\$	\$
36				
37 Add lines 22, 24, 26, 28, 30, 32, 34, and 36	\$	\$	\$	\$
37				
38 Penalty. Add columns (a) through (d) of line 37. Enter the total here and on Form 1120, line 33; or the comparable line for other income tax returns			38	\$ 109

*Use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at www.irs.gov. You can also call 1-800-829-4933 to get interest rate information.

Form 2220 Worksheet

Form **2220**

2015

For calendar year 2015, or tax year beginning _____, and ending _____

Name **McFadin Foundation** Employer Identification Number **74-2834099**

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Due date of estimated payment	<u>05/15/15</u>	<u>06/15/15</u>	<u>09/15/15</u>	<u>12/15/15</u>
Amount of underpayment	<u>1,120</u>	<u>1,120</u>	<u>1,120</u>	<u>1,119</u>

Prior year overpayment applied _____

	1st Payment	2nd Payment	3rd Payment	4th Payment	5th Payment
Date of payment	_____	_____	_____	_____	_____
Amount of payment	_____	_____	_____	_____	_____

Qtr	From	To	Underpayment	#Days	Rate	Penalty
1	5/15/15	3/31/16	1,120	321	3.00	30
1	3/31/16	5/15/16	1,120	45	4.00	6
2	6/15/15	3/31/16	1,120	290	3.00	27
2	3/31/16	5/15/16	1,120	45	4.00	6
3	9/15/15	3/31/16	1,120	198	3.00	18
3	3/31/16	5/15/16	1,120	45	4.00	6
4	12/15/15	3/31/16	1,119	107	3.00	10
4	3/31/16	5/15/16	1,119	45	4.00	6
Total Penalty						109

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