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

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

2010

For calendar year 2010, or tax year beginning , 2010, and ending , 20

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

Name of foundation JUDITH AND HENRY SAUER CHARITABLE FDN		A Employer identification number 76-0425079
Number and street (or P.O. box number if mail is not delivered to street address) 5064 FIELDWOOD	Room/suite	B Telephone number (see page 10 of the instructions) 713-627-2244
City or town, state, and ZIP code HOUSTON TX 77056		C If exemption application is pending, check here ☐
H Check type of organization. ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 644,660	J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____ (Part I, column (d) must be on cash basis)	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 ☐

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 page 11 of the 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 ☐ if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	15,198	15,198		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	892			
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)		892		
	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)					
12 Total. Add lines 1 through 11	16,090	16,090			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)	300	300		300
	c Other professional fees (attach schedule)	6351	6351		6351
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)	391	391		391
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)				
	24 Total operating and administrative expenses. Add lines 13 through 23	7042	7042		7042
	25 Contributions, gifts, grants paid	10,000			10,000
26 Total expenses and disbursements. Add lines 24 and 25	17,042	7042		17,042	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	(952)				
b Net investment income (if negative, enter -0-)		9,048			
c Adjusted net income (if negative, enter -0-)					

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing				
	2	Savings and temporary cash investments		18,788	22,725	22,727
	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 page 15 of the instructions)				
	7	Other notes and loans receivable (attach schedule) ▶				
		Less: allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments—U.S. and state government obligations (attach schedule)				
	b	Investments—corporate stock (attach schedule)		350,335	331,185	415,973
	c	Investments—corporate bonds (attach schedule)		173,065	159,823	166,655
	11	Investments—land, buildings, and equipment basis ▶				
		Less: accumulated depreciation (attach schedule) ▶				
	12	Investments—mortgage loans				
	13	Investments—other (attach schedule)		11,000	33,175	39,305
	14	Land, buildings, and equipment: basis ▶				
		Less: accumulated depreciation (attach schedule) ▶				
	15	Other assets (describe ▶)				
	16	Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)		553,188	546,908	644,660
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 ▶)				
	23	Total liabilities (add lines 17 through 22)				
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				
	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 page 17 of the instructions)		553,188	546,908	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)		553,188	546,908	

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	553,188
2	Enter amount from Part I, line 27a	2	<952>
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	552,236
5	Decreases not included in line 2 (itemize) ▶ <u>ADJUSTMENTS TO BOOK</u>	5	6,138
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	546,098

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	CAPITAL GAIN DISTRIBUTIONS			
b				
c	SCHEDULE ATTACHED			
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			1182
b			
c			<290>
d			
e			

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			

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	892
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 pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8	3	892

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

N/A

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 page 18 of 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))
2009			
2008			
2007			
2006			
2005			

- | | | | |
|----------|---|----------|--|
| 2 | Total of line 1, column (d) | 2 | |
| 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 | |
| 4 | Enter the net value of noncharitable-use assets for 2010 from Part X, line 5 | 4 | |
| 5 | Multiply line 4 by line 3 | 5 | |
| 6 | Enter 1% of net investment income (1% of Part I, line 27b) | 6 | |
| 7 | Add lines 5 and 6 | 7 | |
| 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 on page 18. | 8 | |

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1 Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b			
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-			181
6	Credits/Payments.			
a	2010 estimated tax payments and 2009 overpayment credited to 2010	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			
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			181
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 2011 estimated tax ☐ Refunded ☐			

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?		☒
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <i>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.</i>		☒
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. ▶ \$ _____ (2) On foundation managers. ▶ \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		☒
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? <i>If "Yes," attach a conformed copy of the changes.</i>		☒
4a 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? <i>If "Yes," attach the statement required by General Instruction T.</i>		☒
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? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	☒	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ <u>TEXAS</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? <i>If "No," attach explanation</i>	☒	
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 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? <i>If "Yes," complete Part XIV</i>		☒
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		☒

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 page 20 of the instructions)	11		✓
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶	13	✓	
14	The books are in care of ▶ <u>HENRY SAUER</u> Telephone no. ▶ <u>713-627-2244</u> Located at ▶ <u>5064 FIELDRoad, HOUSTON TX 77056</u> ZIP+4 ▶ <u>77056</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 ▶ <u>15</u>			
16	At any time during calendar year 2010, 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 page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶	16	Yes	No ✓

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☒ No		
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? ☐ Yes ☒ No Organizations relying on a current notice regarding disaster assistance check here ▶ ☐	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 2010?	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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? ☐ Yes ☒ No If "Yes," list the years ▶ 20____, 20____, 20____, 20____		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 22 of the instructions.)	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20____, 20____, 20____, 20____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No		
b	If "Yes," did it have excess business holdings in 2010 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 2010.)	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	✓
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 2010?	4b	✓

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 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the 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 page 22 of the instructions)?Organizations relying on a current notice regarding disaster assistance check here ☐**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No

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

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

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? ☐ Yes ☒ No**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 page 22 of the 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
SCHEDULE ATTACHED				

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the 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 ☐

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 page 23 of the 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		

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	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments. See page 24 of the instructions	
3	
Total. Add lines 1 through 3	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	613,963
b	Average of monthly cash balances	1b	
c	Fair market value of all other assets (see page 25 of the instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	613,963
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	613,963
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	9,209
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	604,754
6	Minimum investment return. Enter 5% of line 5	6	30,238

Part XI Distributable Amount (see page 25 of the 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	30,238
2a	Tax on investment income for 2010 from Part VI, line 5	2a	181
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	181
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	30,057
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	30,057
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	30,057

Part XII Qualifying Distributions (see page 25 of the 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	17,042
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	17,042
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 page 26 of the instructions)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	17,042

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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				30,057
2 Undistributed income, if any, as of the end of 2010:				
a Enter amount for 2009 only			—	
b Total for prior years 20____, 20____, 20____		—		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				39,844
f Total of lines 3a through e	39,844			
4 Qualifying distributions for 2010 from Part XII, line 4: ▶ \$ <u>17,042</u>				
a Applied to 2009, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2010 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)	39,844			
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	26,829			
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 page 27 of the instructions				
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions				
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	26,829			
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010	26,829			

Part XIV Private Operating Foundations (see page 27 of the 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 2010, enter the date of the ruling N/A

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	Prior 3 years			(e) Total
(a) 2010	(b) 2009	(c) 2008	(d) 2007	
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 page 28 of the 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 (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

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

JUDY SAUEIG, 5064 FIELDWOOD, HOUSTON TX 77056 713-627-2244

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

WRITTEN DESCRIPTION OF ORGANIZATION AND PROGRAMS

c Any submission deadlines

NONE

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

NONE

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				
AMAZING PLACE HOUSTON TX			SENIOR HOUSING	5,000
DRESS FOR SUCCESS AUSTIN TX			FUNDAMENTAL RESISTANCE	5,000
Total				3a 10,000
b Approved for future payment				
Total				3b

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 (See page 28 of the instructions)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1	Program service revenue:					
a						
b						
c						
d						
e						
f						
g	Fees and contracts from government agencies					
2	Membership dues and assessments					
3	Interest on savings and temporary cash investments					
4	Dividends and interest from securities			14	15,998	
5	Net rental income or (loss) from real estate:					
a	Debt-financed property					
b	Not debt-financed property					
6	Net rental income or (loss) from personal property					
7	Other investment income					
8	Gain or (loss) from sales of assets other than inventory			18	892	
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue a _____					
b	_____					
c	_____					
d	_____					
e	_____					
12	Subtotal. Add columns (b), (d), and (e)					
13	Total. Add line 12, columns (b), (d), and (e)				13	16,090

(See worksheet in line 13 instructions on page 29 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

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

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

**Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Signature of officer or trustee

Date _____

Title

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date _____

Check ☐ if self-employed

PTIN

Firm's name ▶

Firm's EIN ▶

Firm's address ►

Phone no



Bank of America Private Wealth Management

2010 Tax Information Letter

Account Number 044001361300

Page 4

IM JUDITH HENRY SAUER CHAR FDN

Proceeds From Broker Transactions

This section reports your proceeds from sales during the year. We report all transactions on a trade-date basis, which is the date shown in the sale date column. The net proceeds are less commissions, transfer charges, and premiums.

We have adjusted tax costs for amortization of premium paid for the acquisition of municipal bonds through date of sale and for non-taxable dividends. Wash sales are reported with tax cost equal to proceeds. Disallowed losses from wash sales have been added to the tax cost of the repurchased securities. An asterisk symbol (*) next to the tax cost indicates that the tax cost has been adjusted for the current year's return of capital. However, we have not made adjustments to the cost basis of all partnerships.

Short term transactions

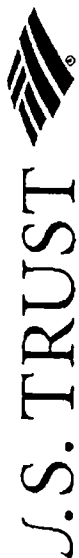
This category includes all assets held 12 months or less.

Description	Cusip	Number of shares exchanged	Acquisition Date	Sale date	Gross proceeds less commissions	Tax cost	Net gain or loss
COLUMBIA FDS SER TR I MID CAP	19765P232	133 48	10/01/09	03/31/10	\$2,950 00	\$2,486 81	\$463 19
Total short term gain/loss from sales:							\$463 19

Long term transactions

This category includes all assets held more than 12 months.

Description	Cusip	Number of shares exchanged	Acquisition Date	Sale date	Gross proceeds less commissions	Tax cost	Net gain or loss
COLUMBIA FDS SER TR COLUMBIA	19765H230	81 49	02/29/08	03/31/10	\$1,696 56	\$1,797 60	\$-101 04
COLUMBIA FDS SER TR MID CAP VALUE	19765J830	908 52	03/25/04	03/31/10	\$10,875 00	\$11,383 77	\$-508 77
COLUMBIA FDS SER TR SMALL CAP	19765J814	404 9	07/22/03	03/31/10	\$6,113 96	\$5,773 85	\$340 11
COLUMBIA FDS SER TR SMALL CAP	19765J764	164 42	03/25/04	03/31/10	\$1,950 00	\$1,954 93	\$-4 93
COLUMBIA FDS SER TR MID CAP INDEX	19765J608	623 63	07/22/03	03/31/10	\$6,286 19	\$5,226 02	\$1,060 17
COLUMBIA FDS SER TR INTL VALUE FD	19765H586	1259 6	12/16/99	03/31/10	\$18,050 00	\$22,849 06	\$-4,799 06
COLUMBIA FDS SER TR SHORT TERM BD	19765H362	941 59	11/02/04	03/31/10	\$9,350 00	\$9,350 00	\$0 00
HARBOR INTERNATIONAL FUND	411511306	68 82	10/24/08	03/31/10	\$3,800 00	\$2,478 75	\$1,321 25
COLUMBIA FDS SER TR COLUMBIA	19765H230	487 68	05/10/00	03/31/10	\$10,153 44	\$9,265 86	\$887 58
COLUMBIA FDS SER TR SHORT TERM BD	19765H362	625 89	05/02/06	09/30/10	\$6,258 86	\$6,077 35	\$181 51
COLUMBIA FDS SER TR SHORT TERM BD	19765H362	374 11	11/02/04	09/30/10	\$3,741 14	\$3,714 95	\$26 19



Bank of America Private Wealth Management

2010 Tax Information Letter

Account Number 044001361300

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IM JUDITH HENRY SAUER CHAR FDN

Long term transactions

This category includes all assets held more than 12 months.

Description	Cusip	Number of shares exchanged	Acquisition Date	Sale date	Gross proceeds less commissions	Tax cost	Net gain or loss
COLUMBIA FDS SER TR COLUMBIA	19765H230	170 09	05/10/00	09/30/10	\$3,475 00	\$3,231 77	\$243 23
COLUMBIA FDS SER TR LARGE CAP VALUE	19765H149	433 4	02/29/08	09/30/10	\$4,425 00	\$5,374 15	\$-949 15
COLUMBIA FDS SER TR I MID CAP	19765P232	39 62	10/01/09	12/30/10	\$1,059 15	\$738 19	\$320 96
COLUMBIA FDS SER TR INTL VALUE FD	19765H586	345 67	12/16/99	12/30/10	\$4,873 92	\$6,270 42	\$-1,396 50
COLUMBIA FDS SER TR I MID CAP	19765P232	214 01	04/06/09	12/30/10	\$5,720 45	\$3,094 57	\$2,625 88
Total long term gain/loss from sales:					\$97,828 67	\$98,581 24	\$-752 57

Settlement Date

U.S. TRUST

Bank of America Private Wealth Management

Portfolio Detail**Account:** 30-04-400-1361300 IM JUDITH & HENRY SAUER CHAR FDN

Oct. 01, 2010 through Dec 31, 2010

Units	Description	CUSIP Sector (2)	Market Value(1)/ Market Price	Accrued Income	Average Unit Cost	Tax Cost/ Average Unit Cost	Unrealized Gain/Loss	Estimated Annual Income	Cur Yld/ YTM
Cash/Currency									
Cash Equivalents									
6,617.050	BANK OF AMERICA MONEY MARKET SAVINGS ACCOUNT (Income Investment)	994458719	\$6,617.05	\$2.16	\$6,617.05 1.000		\$0.00	\$8.60	0.1%
16,107.480	BANK OF AMERICA MONEY MARKET SAVINGS ACCOUNT	994458719	16,107.48	0.50	16,107.48 1.000		0.00	20.94	0.1
	Total Cash Equivalents		\$22,724.53	\$2.66	\$22,724.53		\$0.00	\$29.54	0.1%
	Total Cash/Currency		\$22,724.53	\$2.66	\$22,724.53		\$0.00	\$29.54	0.1%

Equities

(2) Industry Sector Codes		CND = Consumer Discretionary CNS = Consumer Staples ENR = Energy	FIN = Financials HEA = Health Care IND = Industrials	IFT = Information Technology MAT = Materials OEQ = Other Equities	TEL = Telecommunication Services UTL = Utilities	
U.S. Large Cap						
950.846	COLUMBIA DIVIDEND INCOME FUND CLASS Z SHARES Ticker: GSFT X	19765N245 OEQ	\$12,418.05 13.060	\$0.00	\$11,800.00 12.410	\$618.05
8,142.191	COLUMBIA LARGE CAP VALUE FUND CLASS Z SHARES Ticker: NVLUX	19765H149 OEQ	93,798.04 11.520	0.00	81,500.22 10.010	12,297.82
4,647.490	COLUMBIA MARSICO FOCUSED EQUITIES FUND CLASS Z SHARES Ticker: NFEP X	19765H230 OEQ	107,868.24 23.210	0.00	76,520.83 16.465	31,347.41
3,072.197	WELLS FARGO ADVANTAGE ENDEAVOR SELECT FUND CL I Ticker: WFCIX	949915565 OEQ	30,599.08 9.960	0.00	20,000.00 6.510	10,599.08
	Total U.S. Large Cap		\$244,683.41	\$0.00	\$189,821.05	\$54,862.36
						\$1,817.95
						0.7%

(1) Market Value in the Portfolio Detail section does not include Accrued Income

7G0111704



Settlement Date

Portfolio Detail

Account: 30-04-400-1361300 IM JUDITH & HENRY SAUER CHAR FDN

Oct 01, 2010 through Dec. 31, 2010

Units	Description	CUSIP Sector (2)	Market Value(1)/ Market Price	Accrued Income	Average Unit Cost	Tax Cost/ Unit Cost	Unrealized Gain/Loss	Estimated Annual Income	Cur Yld/ YTM
Equities (Cont)									
U.S. Mid Cap									
220.726	COLUMBIA ACORN FUND CLASS Z SHARES Ticker: ACRN X	197199409 OEQ	\$6,663.72 30.190	\$0.00	\$5,900.00 26.730		\$763.72	\$9.71	0.1%
477.554	COLUMBIA MID CAP GROWTH FUND CLASS Z SHARES Ticker: CLSP X	19765P232 OEQ	12,717.26 26.630	0.00	6,905.43 14.460		5,811.83	4.30	0.0
1,352.566	COLUMBIA MID CAP VALUE FUND CLASS Z SHARES Ticker: NAMA X	19765J830 OEQ	18,205.54 13.460	0.00	16,947.65 12.530		1,257.89	232.64	1.3
Total U.S. Mid Cap			\$37,586.52	\$0.00	\$29,753.08		\$7,833.44	\$246.65	0.7%
U.S. Small Cap									
496.893	COLUMBIA SMALL CAP GROWTH I FUND CLASS Z SHARES Ticker: CMSC X	19765P596 OEQ	\$15,701.82 31.600	\$0.00	\$11,400.00 22.943		\$4,301.82	\$0.00	0.0%
1,114.489	COLUMBIA SMALL CAP VALUE FUND II CLASS Z SHARES Ticker: NSVA X	19765J764 OEQ	15,335.37 13.760	0.00	13,251.28 11.890		2,084.09	52.38	0.3
Total U.S. Small Cap			\$31,037.19	\$0.00	\$24,651.28		\$6,385.91	\$52.38	0.2%
International Developed									
328.325	COLUMBIA ACORN INTERNATIONAL FUND CLASS Z SHARES Ticker: ACIN X	197199813 OEQ	\$13,435.06 40.920	\$0.00	\$11,800.00 35.940		\$1,635.06	\$302.39	2.3%
896.356	COLUMBIA INTERNATIONAL VALUE FUND CLASS Z SHARES Ticker: EMIEX	19765H586 OEQ	12,656.55 14.120	0.00	16,259.90 18.140		-3,603.35	383.64	3.0
1,636.882	COLUMBIA MARSICO INTERNATIONAL OPPORTUNITIES FD CLASS Z SHARES Ticker: NMOA X	19765H636 OEQ	19,609.85 11.980	0.00	12,650.00 7.728		6,959.85	325.74	1.7
215.748	HARBOR INTERNATIONAL FUND INSTL CL Ticker: HAIN X	411511306 OEQ	13,063.54 60.550	0.00	7,771.25 36.020		5,292.29	188.13	1.4

Portfolio Detail

Account: 30-04-400-1361300 IM JUDITH & HENRY SAUER CHAR FDN

Oct. 01, 2010 through Dec. 31, 2010

Units	Description	CUSIP Sector (2)	Market Value(1)/ Market Price	Accrued Income	Average Unit Cost	Tax Cost/ Unit Cost	Unrealized Gain/Loss	Estimated Annual Income	Cur Yld/ YTM
Equities (cont)									
International Developed (cont)									
Total International Developed			\$58,765.00	\$0.00	\$48,481.15		\$10,283.85	\$1,199.90	2.0%
Emerging Markets									
1,385 635	LAZARD FUNDS INC EMERGING MKTS PORTFOLIO INSTL Ticker: LZEM X	52106N889 OEQ	\$30,179.13 21.780	\$0.00	\$27,725.00 20.009		\$2,454.13	\$350.57	1.2%
285.000	VANGUARD INTL EQUITY INDEX FDS VANGUARD EMERGING MKTS ETF Ticker: VWO	922042858 OEQ	13,721.61 48.146	0.00	10,753.05 37.730		2,968.56	232.28	1.7
Total Emerging Markets			\$43,900.74	\$0.00	\$38,478.05		\$5,422.69	\$582.85	1.3%
Total Equities									
			\$415,972.86	\$0.00	\$331,184.61		\$84,788.25	\$3,899.73	0.9%
Fixed Income									
Investment Grade Taxable									
4,555.809	COLUMBIA INTERMEDIATE BOND FUND CLASS Z SHARES	19765N468	\$41,275.63 9.060	\$146.36	\$40,000.00 8.780		\$1,275.63	\$1,895.22	4.6%
5,553 311	COLUMBIA SHORT TERM BOND FUND CLASS Z SHARES	19765H362	55,144.38 9.930	127.58	53,922.65 9.710		1,221.73	1,660.44	3.0
5,893 910	PIMCO TOTAL RETURN FUND INSTL	693390700	63,948.92 10.850	0.00	60,000.00 10.180		3,948.92	2,080.55	3.3
Total Investment Grade Taxable			\$160,368.93	\$273.94	\$153,922.65		\$6,446.28	\$5,636.21	3.5%
Global High Yield Taxable									
747.782	COLUMBIA HIGH INCOME FUND CLASS Z SHARES	19765H495	\$6,012.17 8.040	\$0.00	\$5,900.00 7.890		\$112.17	\$427.73	7.1%
Total Global High Yield Taxable			\$6,012.17	\$0.00	\$5,900.00		\$112.17	\$427.73	7.1%
Total Fixed Income			\$166,381.10	\$273.94	\$159,822.65		\$6,558.45	\$6,063.94	3.6%

7G0111705

Settlement Date

Portfolio Detail

Account: 30-04-400-1361300 IM JUDITH & HENRY SAUER CHAR FDN

Oct. 01, 2010 through Dec 31, 2010

Units	Description	CUSIP Sector (2)	Market Value(1)/ Market Price	Accrued Income	Tax Cost/ Average Unit Cost	Unrealized Gain/Loss	Estimated Annual Income	Cur Yld/ YTM
Tangible Assets								
Commodities								
4,230 908	PIMCO COMMODITY REAL RETURN STRATEGY FUND	722005667	\$39,305.14 9.290	\$0.00	\$33,175.00 7.841	\$6,130.14	\$3,515.88	8.9%
Total Commodities			\$39,305.14	\$0.00	\$33,175.00	\$6,130.14	\$3,515.88	8.9%
Total Tangible Assets			\$39,305.14	\$0.00	\$33,175.00	\$6,130.14	\$3,515.88	8.9%
Total Portfolio			\$644,383.63	\$276.60	\$546,906.79	\$97,476.84	\$13,509.09	2.1%
Accrued Income			\$276.60					
Total			\$644,660.23					

JUDITH AND HENRY SAUER CHARITABLE FOUNDATION
76-0425579.

PART I

Line 16c - Bank of America, Houston, TX - Investment Advisor

PART II

Line 10 a,b,c, - SCHEDULE ATTACHED

PART III

(a) Name and address (b) Title and Hours (c) Comp (d) Contrib to plans
(e) Expenses

Judy Sauer
5064 Fieldwood
Houston, TX 77056

Pres, Director

0 0 0

Henry Sauer
5064 Fieldwood
Houston, Texas 77056

Sec - Treas, Director

0 0 0

Ellen Helweg
425 Randolph
Seattle, WA 98122 .25

Director

0 0 0

Elizabeth C. Sauer
4415 51st Ave S
Seattle, WA 98118

Director

0 0 0

Henry Sauer III
518 Wordsworth
Houston, TX 77050

Director

0 0 0