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

2011

Department of the Treasury
Internal Revenue Service

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

For calendar year 2011, or tax year beginning , 2011, and ending

Name of foundation SAUNDERS FOUNDATION		A Employer identification number 16-1289330
Number and street (or P O box number if mail is not delivered to street address) 762 BROOKS AVE.		B Telephone number (see the instructions) (716) 783-2601
City or town ROCHESTER		C If exemption application is pending, check here <input type="checkbox"/>
State ZIP code NY 14619		D 1 Foreign organizations, 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 checked="" type="checkbox"/> Address change <input type="checkbox"/> Name change		D 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		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
<input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ 1,597,195.		
J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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 (att sch)	760,670.			
2 Ck <input type="checkbox"/> if the foundn is not req to att Sch B				
3 Interest on savings and temporary cash investments	29,038.	29,038.		
4 Dividends and interest from securities	1,441.	1,441.		
5a Gross rents				
b Net rental income or (loss)		I-6a Stmt		
6a Net gain/(loss) from sale of assets not on line 10	275,696.			
b Gross sales price for all assets on line 6a	238,924.			
7 Capital gain net income (from Part IV, line 2)		275,696.		
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/(loss) (att sch)				
11 Other income (attach schedule) See Line 11 Stmt	9,835.	9,835.		
12 Total. Add lines 1 through 11	1,076,680.	316,010.		
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)				
c Other prof fees (attach sch)	12,000.	12,000.		
17 Interest				
18 Depreciation (attach schedule) (see instrs) See Line 18 Stmt	5,345.	5,345.		
19 Depreciation (attach sch) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) See Line 23 Stmt	40.	40.		
24 Total operating and administrative expenses. Add lines 13 through 23	17,385.	17,385.		
25 Contributions, gifts, grants paid	304,055.			304,018.
26 Total expenses and disbursements. Add lines 24 and 25	321,440.	17,385.		304,018.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	755,240.			
b Net investment income (if negative, enter -0-)		298,625.		
c Adjusted net income (if negative, enter -0-)				

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ADMINISTRATIVE AND EXPENSES

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Part II Balance Sheets		Beginning of year (a) Book Value	End of year	
			(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash — non-interest-bearing	33,909.	772,304.	772,304.
	2 Savings and temporary cash investments	3,824.	1,113.	1,113.
	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)			
	b Investments — corporate stock (attach schedule)	-16,404.	3,152.	823,778.
	c Investments — corporate bonds (attach schedule)			
	11 Investments — land, buildings, and equipment: basis ▶ Less: accumulated depreciation (attach schedule) ▶			
	12 Investments — mortgage loans			
	13 Investments — other (attach schedule)			
	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)	21,329.	776,569.	1,597,195.
LIABILITIES	17 Accounts payable and accrued expenses	43.	43.	
	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)	43.	43.	
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input checked="" type="checkbox"/>			
	24 Unrestricted	21,286.	776,526.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input type="checkbox"/>			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see instructions)	21,286.	776,526.	
	31 Total liabilities and net assets/fund balances (see instructions)	21,329.	776,569.	

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	21,286.
2 Enter amount from Part I, line 27a	2	755,240.
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	776,526.
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	776,526.

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 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a Stock	See Attached Schedule (B)	D	various	various
b				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss)	— [If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7]	2
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 (column (b) divided by column (c))
2010	225,952.	975,608.	0.231601
2009	554,999.	1,191,288.	0.465881
2008	177,937.	1,363,337.	0.130516
2007	491,905.	1,441,282.	0.341297
2006	326,000.	1,829,807.	0.178161

2 Total of line 1, column (d)	2	1.347456
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	0.269491
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	940,933.
5 Multiply line 4 by line 3	5	253,573.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	2,986.
7 Add lines 5 and 6	7	256,559.
8 Enter qualifying distributions from Part XII, line 4	8	304,018.

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

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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 <input type="checkbox"/> and enter 'N/A' on line 1 Date of ruling or determination letter. _____ (attach copy of letter if necessary – see instrs)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	2,986.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (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	2,986.
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	2,986.
6 Credits/Payments:			
a 2011 estimated tax pmts and 2010 overpayment credited to 2011	6a	3,912.	
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	3,912.	
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	3.	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	923.	
11 Enter the amount of line 10 to be Credited to 2012 estimated tax <input type="checkbox"/> Refunded <input checked="" type="checkbox"/>	11	923.	

Part VII-A Statements Regarding Activities

	Yes	No
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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see 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>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
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>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		X
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>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> _____ NY – New York		
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 <i>General Instruction G</i> ? <i>If 'No,' attach explanation</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X

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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		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>N/A</u>	13	X	
14	The books are in care of <u>Joseph J. Kuby Jr.</u> Telephone no. <u>(585) 783-2601</u> Located at <u>762 Brooks Ave.</u> <u>Rochester, NY</u> ZIP + 4 <u>14619</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 — Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year <u>15</u>			
16	At any time during calendar year 2011, 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?	16		X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If 'Yes,' enter the name of the foreign country <u></u>				

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)? Organizations relying on a current notice regarding disaster assistance check here <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 2011?	1c	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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
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)	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__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
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 2011 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 2011)	3b	X
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 2011?	4b	X

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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 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)?

☐ Yes ☒ No

Organizations relying on a current notice regarding disaster assistance check here

5b

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?

6b

If 'Yes' to 6b, file Form 8870

X

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

7b

b If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction?

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
Carole Saunders 760 Brooks Ave., Rochester, NY 14619	President 0.25	0.	0.	0.
Joseph J. Kuby Jr. 838 Bradington Ci NY 14580	Treasurer 0.25	0.	0.	0.
Robert Jr. Sant 39 Wren Field NY 14619	Director 0.25	0.	0.	0.
See Information about Officers, Directors, Trustees, Etc		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				
0				
0				
0				
0				

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

None

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 None

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 None	
	0.
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 None	
	0.
2	
All other program-related investments See instructions.	
3	
Total. Add lines 1 through 3	None

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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	844,722.
b Average of monthly cash balances	1b	110,540.
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	955,262.
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	955,262.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	14,329.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	940,933.
6 Minimum investment return. Enter 5% of line 5	6	47,047.

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	47,047.
2a Tax on investment income for 2011 from Part VI, line 5	2a	2,986.	
b Income tax for 2011. (This does not include the tax from Part VI.)	2b		
c Add lines 2a and 2b	2c	2,986.	
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	44,061.	
4 Recoveries of amounts treated as qualifying distributions	4		
5 Add lines 3 and 4	5	44,061.	
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	44,061.	

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	304,018.
b Program-related investments — total from Part IX-B	1b	0.
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	304,018.
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	2,986.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	301,032.

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 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				44,061.
2 Undistributed income, if any, as of the end of 2011:				
a Enter amount for 2010 only			0.	
b Total for prior years 20__, 20__, 20__				
3 Excess distributions carryover, if any, to 2011:				
a From 2006	244,554.			
b From 2007	420,694.			
c From 2008	111,262.			
d From 2009	499,467.			
e From 2010	182,387.			
f Total of lines 3a through e	1,458,364.			
4 Qualifying distributions for 2011 from Part XII, line 4: ▶ \$ 304,018.				
a Applied to 2010, but not more than line 2a				
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 2011 distributable amount				44,061.
e Remaining amount distributed out of corpus	259,957.			
5 Excess distributions carryover applied to 2011 (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	1,718,321.			
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				
d Subtract line 6c from line 6b Taxable amount — see instructions		0.		
e Undistributed income for 2010 Subtract line 4a from line 2a. Taxable amount — see instructions			0.	
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)	244,554.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	1,473,767.			
10 Analysis of line 9:				
a Excess from 2007	420,694.			
b Excess from 2008	111,262.			
c Excess from 2009	499,467.			
d Excess from 2010	182,387.			
e Excess from 2011	259,957.			

BAA

Form 990-PF (2011)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year See attached list (A)			Various	
Total				3a
b Approved for future payment				
Total				3b

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

► **Attach to Form 990, Form 990-EZ, or Form 990-PF**

OMB No 1545-0047

2011

Name of the organization

SAUNDERS FOUNDATION

Employer identification number

16-1289330

Organization type (check one)

Filers of:

Form 990 or 990-EZ

Section:

- ☐ 501(c)(____) (enter number) organization
☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
☐ 527 political organization

Form 990-PF

- ☒ 501(c)(3) exempt private foundation
☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33-1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ► \$ _____

Caution: An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF) but it **must** answer 'No' on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2, of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2011)

Name of organization

Employer identification number

SAUNDERS FOUNDATION

16-1289330

Part I Contributors (see instructions) Use duplicate copies of Part I if additional space is needed

(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	E Philip Saunders 762 Brooks Ave Rochester NY 14619	\$ 760,000	Person <input checked="checked" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Form 990-PF, Page 1, Part I, Line 11

Line 11 Stmt

Other income:	Rev/Exp Book	Net Inv Inc	Adj Net Inc
<u>Limited Partnership Income</u>	<u>9,799.</u>	<u>9,799.</u>	
<u>Stock class action</u>	<u>36.</u>	<u>36.</u>	
Total	<u><u>9,835.</u></u>	<u><u>9,835.</u></u>	

Form 990-PF, Page 1, Part I, Line 18

Line 18 Stmt

Taxes	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
<u>NYS Taxes</u>	<u>250.</u>	<u>250.</u>		
<u>Excise Tax</u>	<u>5,095.</u>	<u>5,095.</u>		
Total	<u><u>5,345.</u></u>	<u><u>5,345.</u></u>		

Form 990-PF, Page 1, Part I, Line 23

Line 23 Stmt

Other expenses:	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
<u>Advertising</u>	<u>40.</u>	<u>40.</u>		
<u>Bank fees</u>				
<u>Supplies</u>				
Total	<u><u>40.</u></u>	<u><u>40.</u></u>		

Form 990-PF, Page 6, Part VIII, Line 1

Information about Officers, Directors, Trustees, Etc.

(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
Person <input checked="" type="checkbox"/> Business <input type="checkbox"/> Mary Beiermann 9947 Valley Rd Dansville NY 14437	VP 0.25	0.	0.	0.
Person <input checked="" type="checkbox"/> Business <input type="checkbox"/>				

Total

0. 0. 0.

Form 990-PF, Page 1, Part I

Line 16c - Other Professional Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Saunders Management Co.	Management Fees	12,000.			

Total 12,000.

Supporting Statement of:

Form 990-PF, p1/Line 1(a)

Description	Amount
E Philip Saunders	760,000.
Various	670.
Total	<u>760,670.</u>

Schedule A				
Saunders Foundation Contributions 2011				
Date	Ck #	Payee	Description	
1/1/2011	929	American Red Cross Of Rochester	Annual giving from Dec 2010	(2,500.00)
1/5/2011	931	Holy Family Parish	Jan & Feb	(800.00)
2/8/2011	932	Education Enterprise Of NY	payment 1 of 2	(70,000.00)
5/10/2011	938	CgNR		(3,000.00)
5/10/2011	934	Five Rivers Council	Boy Scouts	(1,000.00)
5/10/2011	936	Holy Family Parish		(1,200.00)
5/10/2011	933	Lake Placid Volunteer Ambulance		(1,000.00)
5/10/2011	935	NhMA	wild center	(1,000.00)
5/10/2011	939	Town Of Ossian Historical Society	barn restoration	(9,500.00)
5/10/2011	928	United Way of Livingston Cty		(2,000.00)
5/11/2011	940	New York State Trooper Foundation		(8,000.00)
5/17/2011	941	Camp Stella Maris		(1,250.00)
6/1/2011	944	Holy Family Parish		(400.00)
6/1/2011	943	Our Lady Of Mercy	2011 Fall stephanie marie	(8,380.00)
6/10/2011	948	Al Seigel Center	Payment 2 of 3 Medical Motor Service	(16,667.00)
6/14/2011	949	Paul Smiths College	annual fund	(11,000.00)
6/24/2011	952	U of R Medical Center		(25,000.00)
7/5/2011	953	Town Of Ossian Historical Society	barn restoration	(9,500.00)
7/6/2011	954	Dansville Library Expansion Fund		(60,000.00)
7/8/2011	955	Adirondack Experience	golf tournament	(1,000.00)
7/18/2011	956	Town Of Ossian Historical Society	barn restoration	(9,500.00)
8/3/2011	958	American red Cross	Clara Barton Golf Tournament	(500.00)
8/15/2011	962	Dansville library Expansion Fund		(10,000.00)
8/15/2011	959	Education Enterprise Of NY	EnCompass	(20,000.00)
8/15/2011	961	Holy Family Parish	July & August	(800.00)
8/15/2011	963	Vacation Bible School		(500.00)
8/15/2011	960	Young Entrepreneurs YEA!	last payment	(700.00)
8/29/2011	965	St Agnes School	student tuition	(2,000.00)
8/29/2011	964	Town Of Ossian Historical Society	barn restoration final payment	(5,325.00)
9/6/2011	966	Finger Lakes Museum		(500.00)
9/6/2011	967	Paul Smiths College	reception at golf house	(2,596.00)
9/22/2011	968	Compeer Rochester	golf tournament platinum	(5,000.00)
9/28/2011	969	Boys & Girls Club Of Rochester		(1,500.00)
10/5/2011	972	Catholic Ministries Appeal	annual appeal	(1,000.00)
10/5/2011	971	Dansville fire Dept.	Annual fund drive	(500.00)
10/5/2011	970	St.Mary's Church		(400.00)
11/2/2011	973	Town Of North Elba		(1,000.00)
11/3/2011	974	AMC Foundation		(5,000.00)
11/8/2011	979	St.Mary's Church		(400.00)
11/10/2011	978	American Legion Post #87	project Christmas	(200.00)
11/16/2011	980	American Red Cross Of Rochester		(1,000.00)
11/23/2011	983	DANSVILLE AMBULANCE CO		(500.00)
11/23/2011	984	ymCA		(1,000.00)
12/2/2011	981	Lake Placid Center for the Arts		(500.00)
12/6/2011	985	St.Mary's Church		(400.00)
			total	(304,018.00)

K-1 ALLIANCE RESOURCE PARTNERS
TOTAL

(37.00)
(304055.00)

Saunders
Saunders Foundation
Stock Gains and Losses
2011

Security Description	Shares	Purchase Date	Unit Price	Cost Basis	Sale Date	Shares	Unit Price	Net Sale Proceeds	Gain/ Loss	S/T Capital	L/T Capital	Ordinary Gain
Buckeye Part LP	335	12/30/2003		(2,683.00)	7/15/2011	200	64.03	12,806.60	15,489.60		10,410.60	5,079.00
Kinder Morgan LP	310	12/30/2003		(8,024)	2/2/2011	400	71.75	28,700.29	36,724.29		16,730.29	19,994.00
Kinder Morgan LP	1230	12/30/2003		(28,084)	6/14/2011	1400	70.94	98,319.94	127,403.94		52,823.94	74,580.00
Kinder Morgan LP	1194	12/30/2003		(12,036)	8/4/2011	600	67.76	40,655.56	52,691.56		20,011.56	32,680.00
Sunoco LP	3000	12/30/2003		807.00	2/2/2011	200	85.61	17,122.51	16,315.51		8,765.51	7,550.00
Alliance LP	2083	8/21/2001		13,248.00	1/19/2011	600	67.20	40,319.07	27,071.07		23,340.07	3,731.00
TOTAL				(36,772.00)				238,923.97	275,695.97	-	132,081.97	143,614.00

THE DAILY RECORD

WESTERN NEW YORK'S SOURCE FOR LAW, REAL ESTATE, FINANCE AND GENERAL INTELLIGENCE SINCE 1908

AFFIDAVIT OF PUBLICATION

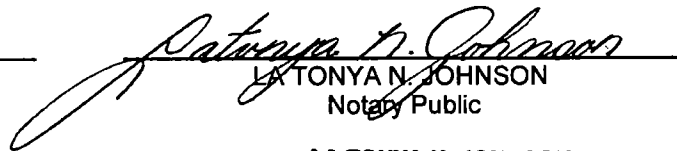
STATE OF NEW YORK

County of Monroe

The undersigned is the Publisher of The Daily Record, a daily newspaper published in Rochester, New York. A notice was published in said paper one times, commencing on 5/3/2012 and ending on 5/3/2012. The text of the notice as published in said paper is as set forth below, or in the annexed exhibit. This newspaper has been designated by the Clerk of Monroe County for this purpose.

Sworn to before me on this 3rd days of May, 2012


 Kevin Momot
 Publisher


 LA TONYA N. JOHNSON
 Notary Public

FOUNDATION NOTICE

THE ANNUAL RETURN OF THE SAUNDERS FOUNDATION for the year ended December 31, 2011 is available for inspection during regular business hours by any citizen who requests it within 180 days hereof at its principal office located at 762 Brooks Avenue, Rochester, New York 14619, Telephone (585) 235-4790. Principal Manager, Carole Saunders.

Dated, May 3, 2012
 10075293 5-3-11

LA TONYA N. JOHNSON
NOTARY PUBLIC, State of New York
 Reg. No. 01JO6200636
 Qualified in Monroe County
 Commission Expires February 9, 2013

