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Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

OMB No 1545-0052

2011

For calendar year 2011, or tax year beginning 01-01-2011 , and ending 12-31-2011

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
SAUNDERS FOUNDATION

Number and street (or P O box number if mail is not delivered to street address)
7500 SAN FELIPE
ROOM/SUITE 1070

City or town, state, and ZIP code
HOUSTON, TX 77063

A Employer identification number
76-0574880

B Telephone number (see page 10 of the instructions)
(713) 914-9778

C If exemption application is pending, check here ☐

D 1. Foreign organizations, check here ☐

2. Foreign organizations meeting the 85% test, check here and attach computation ☐

E If private foundation status was terminated under section 507(b)(1)(A), check here ☐

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

H Check type of organization ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16)
\$ 4,584,656

J Accounting method ☒ Cash ☐ Accrual
☐ Other (specify) _____
(Part I, column (d) must be on cash basis.)

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see 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 <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	10,247	10,247		
	4 Dividends and interest from securities.	106,690	106,690		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	1,017,589			
	b Gross sales price for all assets on line 6a 1,261,936				
	7 Capital gain net income (from Part IV, line 2)		1,017,589		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
Operating and Administrative Expenses	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)	-11,509	4,098		
	12 Total. Add lines 1 through 11	1,123,017	1,138,624		
	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).	1,778	1,000		778
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)	62	62		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings	5,808			5,808
	22 Printing and publications				
	23 Other expenses (attach schedule).	8,487	8,487		
	24 Total operating and administrative expenses.				
	Add lines 13 through 23	16,135	9,549		6,586
	25 Contributions, gifts, grants paid	245,851			245,851
	26 Total expenses and disbursements. Add lines 24 and 25	261,986	9,549		252,437
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	861,031			
	b Net investment income (if negative, enter -0-)		1,129,075		
	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	117,116	147,429	147,429
	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) ▶ 68,795 Less allowance for doubtful accounts ▶ _____	78,854	68,795	68,795
	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)	4,467,354	4,105,666	4,105,666
	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)	38,292	260,058	260,058
	14	Land, buildings, and equipment basis ▶ 3,619 Less accumulated depreciation (attach schedule) ▶ 2,072		1,547	1,547
	15	Other assets (describe ▶ _____)	1,161	1,161	1,161
	16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	4,702,777	4,584,656	4,584,656

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)		0	

Net Assets or Fund Balances		Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> 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 ▶ <input checked="" type="checkbox"/> 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	4,702,777	4,584,656	
	30	Total net assets or fund balances (see page 17 of the instructions)	4,702,777	4,584,656	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	4,702,777	4,584,656	

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	4,702,777
2	Enter amount from Part I, line 27a	2	861,031
3	Other increases not included in line 2 (itemize) ▶ _____	3	
4	Add lines 1, 2, and 3	4	5,563,808
5	Decreases not included in line 2 (itemize) ▶ _____	5	979,152
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	4,584,656

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	See Additional Data Table			
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 See Additional Data Table			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) 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 See Additional Data Table			
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	1,017,589
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	61,323

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 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))
2010	167,603	4,002,993	0 041869
2009	164,949	3,319,562	0 049690
2008	197,292	3,581,831	0 055081
2007	73,805	3,693,274	0 019984
2006	70,246	2,934,599	0 023937

2	Total of line 1, column (d).	2	0 190561
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 038112
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5.	4	4,824,602
5	Multiply line 4 by line 3.	5	183,875
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	11,291
7	Add lines 5 and 6.	7	195,166
8	Enter qualifying distributions from Part XII, line 4.	8	252,437

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

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 <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 checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	11,291
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	
3		Add lines 1 and 2.		3	11,291
4		Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	
5		Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		5	11,291
6		Credits/Payments			
a		2011 estimated tax payments and 2010 overpayment credited to 2011	6a	3,102	
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	3,102
8		Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached		8	
9		Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	8,189
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 2012 estimated tax <input type="checkbox"/> 0	Refunded <input type="checkbox"/>	11	








Part VII-A

Statements Regarding Activities

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?		Yes	No
		1a		No
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)?			No
	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.			
c	Did the foundation file Form 1120-POL for this year?	1c		No
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?	2		No
	If "Yes," attach a detailed description of the activities.			
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3		No
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on Form 990-T for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year?	5		No
	If "Yes," attach the statement required by General Instruction T.			
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either			
	• By language in the governing instrument, or			
	• By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	Yes	
7	Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <input type="checkbox"/> _____			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation .	8b		
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 on page 27)? If "Yes," complete Part XIV	9		No
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		No




















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		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address  N/A	13		
14	The books are in care of  STUART SAUNDERS Telephone no  (713) 914-9778 Located at  7500 SAN FELIPE 1070 HOUSTON TX ZIP +4  77063			
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.	15		
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	Yes	No
See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes", enter the name of the foreign country 				

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 20 of the instructions)?. 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 2011?.	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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011?.  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 20 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 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? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011.</i>).	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
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		No

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))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here.	<input checked="" type="checkbox"/>	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? <i>If "Yes," attach the statement required by Regulations section 53.4945–5(d).</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No		
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <i>If "Yes" to 6b, file Form 8870.</i>		6b	No
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?		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 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
FREDERIC M SAUNDERS 515 HUNTERWOOD HOUSTON, TX 77024	DIRECTOR 0 00	0	0	0
GAYLE D SAUNDERS 515 HUNTERWOOD HOUSTON, TX 77024	DIRECTOR 0 00	0	0	0
MEREDITH S MASON 501 VALE STREET AUSTIN, TX 78746	DIRECTOR 0 00	0	0	0
STUART D SAUNDERS 8 SADDLEBROOK LANE HOUSTON, TX 77024	DIRECTOR 0 00	0	0	0
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

[illegible]

Total number of others receiving over \$50,000 for professional services.	▶
--	---

Part IX-A

1	
2	
3	
4	

Part IX-B

1 N/A	
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	4,043,779
b	Average of monthly cash balances.	1b	517,635
c	Fair market value of all other assets (see page 24 of the instructions).	1c	336,659
d	Total (add lines 1a, b, and c).	1d	4,898,073
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	4,898,073
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions).	4	73,471
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	4,824,602
6	Minimum investment return. Enter 5% of line 5.	6	241,230

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	241,230
2a	Tax on investment income for 2011 from Part VI, line 5.	2a	11,291
b	Income tax for 2011 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	11,291
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	229,939
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	229,939
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	229,939

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	252,437
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	252,437
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	11,291
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	241,146
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 2010	(c) 2010	(d) 2011
1	Distributable amount for 2011 from Part XI, line 7				229,939
2	Undistributed income, if any, as of the end of 2011				
a	Enter amount for 2010 only.			9,936	
b	Total for prior years 20____, 20____, 20____				
3	Excess distributions carryover, if any, to 2011				
a	From 2006.				
b	From 2007.				
c	From 2008.				
d	From 2009.				
e	From 2010.				
f	Total of lines 3a through e.				
4	Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 252,437				
a	Applied to 2010, but not more than line 2a			9,936	
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 2011 distributable amount.				229,939
e	Remaining amount distributed out of corpus	12,562			
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	12,562			
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 2010 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
f	Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011.				0
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 2006 not applied on line 5 or line 7 (see page 27 of the instructions).				
9	Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a.	12,562			
10	Analysis of line 9				
a	Excess from 2007. . . .				
b	Excess from 2008. . . .				
c	Excess from 2009. . . .				
d	Excess from 2010. . . .				
e	Excess from 2011. . . . 12,562				

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 2011, enter the date of the ruling.

b

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

☐ 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) 2011	(b) 2010	(c) 2009	(d) 2008	
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 organization had \$5,000 or more in assets at any time during the year—see page 27 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))

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

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

b

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

c

Any submission deadlines

d

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

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)				
<div><div>a</div><div>Paid during the year</div><div>See Additional Data TableSee Additional Data Table</div></div>				
<div>Total</div>			<div>3a</div>	245,851
<div><div>b</div><div>Approved for future payment</div></div>				
<div>Total</div>			<div>3b</div>	

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				14	10,247	
4 Dividends and interest from securities. . . .				14	106,690	
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				14	1,017,589	
9 Net income or (loss) from special events						
10 Gross profit or (loss) from sales of inventory. .						
NET RENTAL RE INCOME				16	4,093	
11 Other revenue a FROM K-1						
b ORDIN BUSINES INCOME FROM K-1		211110	-15,607			
c ROUNDING				14	5	
d _____						
e _____						
12 Subtotal Add columns (b), (d), and (e). .			-15,607		1,138,624	
13 Total. Add line 12, columns (b), (d), and (e).				13		1,123,017

(See worksheet in line 13 instructions on page 28 to verify calculations)

[illegible]

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)		No
	(2) Other assets.	1a(2)		No
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization.	1b(1)		No
	(2) Purchases of assets from a noncharitable exempt organization.	1b(2)		No
	(3) Rental of facilities, equipment, or other assets.	1b(3)		No
	(4) Reimbursement arrangements.	1b(4)		No
	(5) Loans or loan guarantees.	1b(5)		No
	(6) Performance of services or membership or fundraising solicitations.	1b(6)		No
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees.	1c		No
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.			

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

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

May the IRS discuss this return with the preparer shown above? See instructions ☐ Yes ☒ No

Additional Data

Software ID:
Software Version:
EIN: 76-0574880
Name: SAUNDERS FOUNDATION

Form 990PF - Special Condition Description:

Special Condition Description

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
500 WELLS FARGO JAN 2011 CALLS	P	2010-10-06	2011-01-20
300 SH CAMPUS CREST COMMUNITIES	P	2010-10-18	2011-04-20
34500 SH WELLS FARGO	D	1996-12-15	2011-01-21
300 SH CAMPUS CREST COMMUNITIES	P	2010-10-21	2011-04-20
2500 SH WELLS FARGO	D	1996-12-15	2011-01-20
700 SH CAMPUS CREST COMMUNITIES	P	2010-10-27	2011-04-20
500 SH STARWOOD PROPERTY TRUST	P	2009-08-11	2011-08-16
100 SH CAMPUS CREST COMMUNITIES	P	2010-11-11	2011-04-20
400 SH STARWOOD PROPERTY TRUST	P	2009-08-20	2011-08-16
1000 SH LIBERTY PPTY TR	P	2010-10-12	2011-04-06
200 SH STARWOOD PROPERTY TRUST	P	2009-08-25	2011-08-16
1000 SH OMEGA HEALTHCARE INVESTORS	P	2010-03-31	2011-01-25
100 SH STARWOOD PROPERTY TRUST	P	2009-08-20	2011-10-04
0 94 SH VENTAS INC	P	2009-09-24	2011-07-21
100 SH STARWOOD PROPERTY TRUST	P	2009-09-10	2011-10-04
200 SH STARWOOD PROPERY TRUST	P	2009-09-22	2011-10-04
300 SH STARWOOD PROPERTY TRUST	P	2010-05-05	2011-10-04
200 SH STARWOOD PROPERTY TRUST	P	2010-09-02	2011-10-04
100 SH STARWOOD PROPERTY TRUST	P	2010-12-09	2011-10-04
100 SH DIGITAL REALTY TRUST	P	2011-01-26	2011-10-27
500 SH HCP INC	P	2010-02-04	2011-11-02
700 SH CAMPUS CREST COMMUNITIES	P	2010-10-13	2011-04-20

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
157,935		96,366	61,569
3,325		3,810	-485
859,265		7,618	851,647
3,325		3,787	-462
62,153		552	61,601
7,759		8,827	-1,068
9,447		10,000	-553
1,108		1,236	-128
7,558		7,941	-383
33,094		32,860	234
3,779		4,007	-228
21,965		19,798	2,167
1,607		1,985	-378
52		36	16
1,607		1,979	-372
3,213		3,966	-753
4,820		5,634	-814
3,213		3,840	-627
1,607		1,973	-366
6,180		5,327	853
19,416		14,055	5,361
7,759		8,750	-991


Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

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	
			61,569
			-485
			851,647
			-462
			61,601
			-1,068
			-553
			-128
			-383
			234
			-228
			2,167
			-378
			16
			-372
			-753
			-814
			-627
			-366
			853
			5,361
			-991

Form 990PF Part XV Line 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 <i>Paid during the year</i>				
AMY FLORESC/O 7500 SAN FELIPE HOUSTON,TX 77063	NONE	STUDENT	COLLEGE SCHOLARSHIP	8,298
CESAR GONZALEZC/O 7500 SAN FELIPE HOUSTON,TX 77063	NONE	STUDENT	COLLEGE SCHOLARSHIP	1,181
AURELIA CORTEZC/O 7500 SAN FELIPE HOUSTON,TX 77063	NONE	STUDENT	COLLEGE SCHOLARSHIP	6,484
LISSETH GARCIA C/O 7500 SAN FELIPE HOUSTON,TX 77063	NONE	STUDENT	COLLEGE SCHOLARSHIP	18,166
COURTNEY STUART C/O 7500 SAN FELIPE HOUSTON,TX 77063	NONE	STUDENT	COLLEGE SCHOLARSHIP	12,699
LIGHTHOUSE OF HOUSTON3602 W DALLAS HOUSTON,TX 77019	NONE	PUBLIC CHARI	PUBLIC CHARITY	5,000
CHI OMEGA FOUNDATIONPO BOX 27543 HOUSTON,TX 77227	NONE	PUBLIC CHARI	PUBLIC CHARITY	9,618
FIRST UNITED METHODIST CH 1101 DOHERTY MISSION,TX 78572	NONE	CHURCH	RELIGION	4,500
EANES ELEMENTARY PTO4101 BEES CAVES RD AUSTIN,TX 78746	NONE	SCHOOL	EDUCATION	5,000
INSTITUTE OF SHIPBOARD ED 811 WILLIAM PITT UNION U PITTSBURG,PA 15260	NONE	SCHOOL	EDUCATION	50,000
THE RISE SCHOOL8080 NORTH STADIUM DR HOUSTON,TX 77054	NONE	SCHOOL	EDUCATION	40,000
EAST WACO GREENWOOD CEMET PO BOX 154115 WACO,TX 76715	NONE	PUBLIC CHARI	PUBLIC CHARITY	1,000
HOUSTON PANHELLENIC FOUND BOX 342 5868 A-1 WESTHEI HOUSTON,TX 77057	NONE	UNIVERSITY	EDUCATION	3,500
HOUSTON HEIGHTS ASSOCIATI PO BOX 70735 HOUSTON,TX 77270	NONE	PUBLIC CHARI	COMMUNITY DEVELOPMENT	25,000
WBPPPO BOX 160522 AUSTIN,TX 78716	NONE	SCHOOL	EDUCATION	1,000
THE CENTER FOUNDATION3550 WEST DALLAS HOUSTON,TX 77019	NONE	PUBLIC CHARI	MENTAL HEALTH	5,000
JOY2THEWORLD14504 BRIAR FOREST DR HOUSTON,TX 77077	NONE	PUBLIC CHARI	MICRO-FINANCE PROJECTS	100
MD ANDERSONPO BOX 301439 HOUSTON,TX 77230	NONE	HOSPITAL	CANCER RESEARCH & TREATMENT	3,500
FAITHFUL FATHERING INITIATIVEPO BOX 1702 HOUSTON,TX 77487	NONE	PUBLIC CHARI	COMMUNITY DEVELOPMENT	500
THE 100 CLUB5555 SAN FELIPE STE 520 HOUSTON,TX 77056	NONE	PUBLIC CHARI	PUBLIC CHARITY	200
NORTH SHORE ROTARY CHARITABLE FDNPO BOX 9635 HOUSTON,TX 77213	NONE	PUBLIC CHARI	EDUCATION	4,200
BAYTOWN ROTARY CLUBPO BOX 128 BAYTOWN,TX 77522	NONE	PUBLIC CHARI	EDUCATION	100
SUSAN G KOMEN FOUNDATION 5005 LBJ FREEWAY STE 250 DALLAS,TX 75244	NONE	PUBLIC CHARI	CANCER RESEARCH & TREATMENT	100
SUMMIT INTERNATIONAL PREP SCHOOL1100 ROOSEVELT ARLINGTON,TX 76011	NONE	SCHOOL	EDUCATION	45
THE ASSISTANCE LEAGUE OF CONROE126 NORTH SAN JACINTO ST CONROE,TX 77301	NONE	PUBLIC CHARI	PUBLIC CHARITY	500
THE CHILDRENS FUNDPO BOX 56303 HOUSTON,TX 77256	NONE	PUBLIC CHARI	COMMUNITY DEVELOPMENT	500
YOUNG LIFE900 TOWN AND COUNTRY LANE HOUSTON,TX 77024	NONE	PUBLIC CHARI	MINISTRY	250
HOUSTON HUMANE SOCIETY 14700 AMEDA RD HOUSTON,TX 77053	NONE	PUBLIC CHARI	ANIMAL CARE	200
GIRL SCOUTS OF SAN JACINTO COUNCIL3110 SOUTHWEST FWY HOUSTON,TX 77098	NONE	PUBLIC CHARI	EDUCATION	500
HILLSDALE COLLEGE33 EAST COLLEGE ST HILLSDALE,MI 49242	NONE	UNIVERSITY	EDUCATION	19,960

Form 990PF Part XV Line 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				
DRUG POLICY ALLIANCE131 W 33RD ST 15TH FLOOR NEWYORK,NY 10001	NONE	PUBLIC CHARI	EDUCATION	100
AMERICAN JUNIOR GOLF ASSOCIATION1980 SPORTS CLUB DR BRASELTON,GA 30517	NONE	PUBLIC CHARI	EDUCATION	100
UT COLLEGE OF MEDICINE7000 FANNIN ST STE 150 HOUSTON,TX 77030	NONE	UNIVERSITY	EDUCATION	100
CONGREGATION OF EMANU EL 1500 SUNSET BLVD HOUSTON,TX 77005	NONE	CHURCH	RELIGION	100
ELKINS HIGH SCHOOL7007 KNIGHTS COURT MISSOURI CITY,TX 77459	NONE	SCHOOL	EDUCATION	50
LAKE CONROE ASSOCIATIONPO BOX 376 WILLIS,TX 77378	NONE	PUBLIC CHARI	COMMUNITY DEVELOPMENT	100
SCHREINER UNIVERSITY2100 MEMORIAL BLVD KERRVILLE,TX 78028	NONE	UNIVERSITY	EDUCATION	5,000
MAKE A WISH FOUNDATION4742 N 24TH ST STE 400 PHOENIX,AZ 85016	NONE	PUBLIC CHARI	HEALTH	2,000
DOCTORS WITHOUT BORDERS USA PO BOX 5030 HAGERSTOWN,MD 21741	NONE	PUBLIC CHARI	HEALTH	2,000
CRIME STOPPERS OF HOUSTON 3001 MAIN ST STE 2 HOUSTON,TX 77002	NONE	PUBLIC CHARI	COMMUNITY DEVELOPMENT	5,000
CYSTIC FIBROSIS FOUNDATION50 BRIAR HOLLOW LN 310 HOUSTON,TX 77027	NONE	PUBLIC CHARI	MEDICAL RESEARCH	2,000
HOSPICE ALLIANCE10220 PRAIRIE RIDGE BLVD PLEASANT PRAIRIE,WI 53158	NONE	PUBLIC CHARI	HEALTH	1,000
MEMORIAL ASSISTANCE MINISTRIES1625 BLALOCK RD HOUSTON,TX 77080	NONE	PUBLIC CHARI	RELIGION	1,200
Total  3a				245,851

TY 2011 Accounting Fees Schedule

Name: SAUNDERS FOUNDATION

EIN: 76-0574880

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
INDIRECT ACCOUNTING FEES	1,778	1,000		778

TY 2011 Compensation Explanation**Name:** SAUNDERS FOUNDATION**EIN:** 76-0574880

Person Name	Explanation
FREDERIC M SAUNDERS	
GAYLE D SAUNDERS	
MEREDITH S MASON	
STUART D SAUNDERS	

**TY 2011 Investments Corporate
Stock Schedule****Name:** SAUNDERS FOUNDATION**EIN:** 76-0574880

Name of Stock	End of Year Book Value	End of Year Fair Market Value
UBS FINANCIAL SERVICES 52986	1,579,701	1,579,701
SALIENT TRUST 771700	376,434	376,434
INTERACTIVE BROKERS	1,203,682	1,203,682
CHILTON CAPITAL MANAGEMENT 007564	945,849	945,849

TY 2011 Investments - Other Schedule**Name:** SAUNDERS FOUNDATION**EIN:** 76-0574880

Category / Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
STC REAL ESTATE PARTNERS	AT COST	4,887	4,887
EL PASO PIPELINE	AT COST	64,467	64,467
ENTERPRISE PRODUCTS PARTNERS	AT COST	34,665	34,665
KINDER MORGAN ENERGY PARTNERS	AT COST	33,164	33,164
PLAINS ALL AMERICAN	AT COST	37,496	37,496
MAGELLAN MIDSTREAM	AT COST	85,379	85,379

TY 2011 Land, Etc. Schedule**Name:** SAUNDERS FOUNDATION**EIN:** 76-0574880

Category / Item	Cost / Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
DELL COMPUTER	1,432	1,432		
SOFTWARE	253	253		
MACBOOKS COMPUTER	1,934	387	1,547	1,547

TY 2011 Other Assets Schedule

Name: SAUNDERS FOUNDATION

EIN: 76-0574880

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
ARTWORK	1,161	1,161	1,161

TY 2011 Other Decreases Schedule**Name:** SAUNDERS FOUNDATION**EIN:** 76-0574880

Description	Amount
FAIR MARKET VALUE ADJUSTMENTS	979,152

TY 2011 Other Expenses Schedule**Name:** SAUNDERS FOUNDATION**EIN:** 76-0574880

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
EXPENSES				
INVESTMENT FEES	5,169	5,169		
INVESTMENT INTEREST EXPENSE P	27	27		
INTANGIBLE DRILLING COSTS PER	158	158		
MISCELLANEOUS FEES	2,746	2,746		
INVESTMENT DEPRECIATION	387	387		

TY 2011 Other Income Schedule

Name: SAUNDERS FOUNDATION

EIN: 76-0574880

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
NET RENTAL RE INCOME FROM K-1	4,093	4,093	
ORDIN BUSINES INCOME FROM K-1	-15,607		
ROUNDING	5	5	

TY 2011 Other Notes/Loans
Receivable Short Schedule

Name: SAUNDERS FOUNDATION
EIN: 76-0574880

Name of 501(c)(3) Organization	Balance Due
GEORGE THOMAS 502 FREEPORT	68,795

TY 2011 Taxes Schedule

Name: SAUNDERS FOUNDATION

EIN: 76-0574880

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FOREIGN TAXES PAID ON DIVIDEND I	62	62		