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**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation****2012**

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

For calendar year 2012, or tax year beginning**, 2012, 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) (585) 235-4790
City or town ROCHESTER	State ZIP code NY 14619	C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply		D 1 Foreign organizations, check here <input type="checkbox"/>
<input type="checkbox"/> Initial return		<input type="checkbox"/> Initial Return of a former public charity
<input type="checkbox"/> Final return		<input type="checkbox"/> Amended return
<input type="checkbox"/> Address change		<input type="checkbox"/> Name change
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) \$ 1,629,075.	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)
REVENUE				
1 Contributions, gifts, grants, etc. received (att sch)	48,840.			
2 CK <input type="checkbox"/> if the foundn is not req to att Sch B				
3 Interest on savings and temporary cash investments	28,859.	28,859.		
4 Dividends and interest from securities	13,487.	13,487.		
5a Gross rents				
b Net rental income or (loss)				
6a Net gain/(loss) from sale of assets not on line 10	231,075.			
b Gross sales price for all assets on line 6a	288,438.			
7 Capital gain net income (from Part IV, line 2)		231,075.		
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	48,284.	48,284.		
12 Total. Add lines 1 through 11	370,545.	321,705.		
ADMINISTRATIVE AND OPERATING 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 sch)				
c Other prof fees (attach sch)				
17 Interest				
18 Taxes (attach schedule) (see instrs) See Line 18 Stmt	2,334.	2,334.		
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	292.	292.		
24 Total operating and administrative expenses. Add lines 13 through 23	2,626.	2,626.		
25 Contributions, gifts, grants paid	246,367.			246,367.
26 Total expenses and disbursements. Add lines 24 and 25	248,993.	2,626.		246,367.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	121,552.			
b Net investment income (if negative, enter -0-)		319,079.		
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	772,304.	52,483.	52,483.	
	2 Savings and temporary cash investments	1,113.	27,254.	27,254.	
	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)	3,152.	818,384.	1,549,338.	
	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)	776,569.	898,121.	1,629,075.		
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.		
FUND ASSETS	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input checked="" type="checkbox"/>				
	24 Unrestricted	776,526.	898,078.		
	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)	776,526.	898,078.		
	31 Total liabilities and net assets/fund balances (see instructions)	776,569.	898,121.		

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	776,526.
2 Enter amount from Part I, line 27a	2	121,552.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	898,078.
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	898,078.

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)
1 a stock sales--see schedule B		P	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			(i) 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))
2011	301,032.	940,933.	0.319929
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

2 Total of line 1, column (d)

2

1.489224

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

0.297845

4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5

4

1,564,874.

5 Multiply line 4 by line 3

5

466,090.

6 Enter 1% of net investment income (1% of Part I, line 27b)

6

3,191.

7 Add lines 5 and 6

7

469,281.

8 Enter qualifying distributions from Part XII, line 4

8

246,367.

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

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

1 a Exempt operating foundations described in section 4940(d)(2), check here <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 type="checkbox"/> and enter 1% of Part I, line 27b		1	6,382.
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	6,382.
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	6,382.
6 Credits/Payments			
a 2012 estimated tax pmts and 2011 overpayment credited to 2012	6 a	2,989.	
b Exempt foreign organizations – tax withheld at source	6 b		
c Tax paid with application for extension of time to file (Form 8868)	6 c		
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments. Add lines 6a through 6d	7	2,989.	
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	0.	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed <i>paid online</i>	9	3,393.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	0.	
11 Enter the amount of line 10 to be Credited to 2013 estimated tax <i>0.</i> Refunded	11		

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 \$ _____ (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>		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) <i>NY - New York</i>		
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>	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 2012 or the taxable year beginning in 2012 (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>Patricia Redding</u> Telephone no <u>(585) 235-4790</u> Located at <u>762 Brooks Ave., 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 2012, 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
1 a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<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"/>	1 b	
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 2012?	1 c	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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? If 'Yes,' list the years <u>20</u> , <u>20</u> , <u>20</u> , <u>20</u>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement - see instructions.)	2 b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. <u>20</u> , <u>20</u> , <u>20</u> , <u>20</u>		
3 a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If 'Yes,' did it have excess business holdings in 2012 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 2012)	3 b	X
4 a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	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 2012?	4 b	X

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Part III 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)?

5b

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?

6b

X

If 'Yes' to 6b, file Form 8870

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

7b

Part IV 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 762 Brooks Ave., Rochester, NY 14619	President 0.25	0.	0.	0.
Patricia Redding 130 Biondo Ct Rush NY 14543	Vice President 0.25	0.	0.	0.
Robert Jr. Sant 39 Wren Field Pittsford NY 14534	sect&treasurer 0.25	0.	0.	0.

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

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

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

None

Part VII 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

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	

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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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	1 a	1,501,182.
b Average of monthly cash balances	1 b	87,523.
c Fair market value of all other assets (see instructions)	1 c	
d Total (add lines 1a, b, and c)	1 d	1,588,705.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e	
2 Acquisition indebtedness applicable to line 1 assets	2	
3 Subtract line 2 from line 1d	3	1,588,705.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	23,831.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,564,874.
6 Minimum investment return. Enter 5% of line 5	6	78,244.

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	78,244.
2 a Tax on investment income for 2012 from Part VI, line 5	2 a	6,382.
b Income tax for 2012 (This does not include the tax from Part VI.)	2 b	
c Add lines 2a and 2b	2 c	6,382.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	71,862.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	71,862.
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	71,862.

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	1 a	246,367.
b Program-related investments — total from Part IX-B	1 b	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)	3 a	
b Cash distribution test (attach the required schedule)	3 b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	246,367.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	0.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	246,367.

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 III Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				71,862.
2 Undistributed income, if any, as of the end of 2012:				
a Enter amount for 2011 only			0.	
b Total for prior years 20__, 20__, 20__				
3 Excess distributions carryover, if any, to 2012				
a From 2007	420,694.			
b From 2008	111,262.			
c From 2009	499,467.			
d From 2010	182,387.			
e From 2011	259,957.			
f Total of lines 3a through e	1,473,767.			
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ 246,367.				
a Applied to 2011, 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 2012 distributable amount				71,862.
e Remaining amount distributed out of corpus	174,505.			
5 Excess distributions carryover applied to 2012 (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	1,648,272.			
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 2011. Subtract line 4a from line 2a Taxable amount – see instructions			0.	
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				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 2007 not applied on line 5 or line 7 (see instructions)	420,694.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	1,227,578.			
10 Analysis of line 9				
a Excess from 2008	111,262.			
b Excess from 2009	499,467.			
c Excess from 2010	182,387.			
d Excess from 2011	259,957.			
e Excess from 2012	174,505.			

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

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

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

2012

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, 990EZ, or 990-PF.

Schedule **B** (Form 990, 990-EZ, or 990-PF) (2012)

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	Lewis Tree 300 lucius Gordon Drive West Henrietta NY 14586	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	Carl & Ann Myers 6050 State Route 15A Springwater NY 14560	\$ 10,000.	Person <input 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.)

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

Line 11 Stmt

Other income:	Rev/Exp Book	Net Inv Inc	Adj Net Inc
Limited Partnership Income	30,179.	30,179.	
Limited Partnership cap gain inco	384.	384.	
misc royalty income	17,721.	17,721.	
Total	48,284.	48,284.	

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

Line 18 Stmt

Taxes	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
NYS Taxes	250.	250.		
Excise Tax	2,084.	2,084.		
Total	2,334.	2,334.		

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
Advertising	40.	40.		
Vodafone fee	180.	180.		
Supplies	72.	72.		
Total	292.	292.		

16-1289330

Saunders Foundation

Saunders Foundation
Stock Gains and Losses
2012

Schedule "B"

back up to Journal entry E

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
Alliance LP	1483	8/21/2001		24,158 00	4/24/2012	1483	60 45	89,641 26	65,483 26		52,402 26	13,081 00
Arena Pharmaceuticals Inc	20000	1/17/2012		33,204 65	6/19/2012	20000	9 94	198,796 40	165,591 75	165,591 75		
TOTAL				57,362 65				288,437 66	231,075 01	165,591 75	52,402 26	13,081 00

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Market Value of Investments

BARCLAYS

832-18704

SAUNDERS FOUNDATION 16-1289330
December 1 - December 31, 2012

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HOLDINGS

In instances where prices of securities are not readily available, securities have no values. Securities may not have been actively traded or where other factors prevent the pricing of securities, "N/A" appears in the market price column, the market value for the security is not computed and the total equity in your account does not reflect the long or short market value (if any) of those securities. Please also note that totals may differ from the sum on individual components due to rounding.

Unrealized gain/loss total reflects all positions for which a cost basis is available. Please review the Tax Lot section for details regarding cost basis.

Equities

Your statement contains research ratings for companies covered by Barclays Equity Research. Clients may access Barclays research at www.barclays.com/wealth/amencas/clientaccessdisclaimers or by calling 1-800-253-4626. A complete description of Barclays ratings may be found on Page 2 of your statement.

Note: Trade price may include any applicable local taxes and fees.

Common stocks(Symbol)	Quantity	Unit cost	Total cost	Market price	Market value	Unrealized gain/loss	Est. ann. yield (%)	Est. annual income (\$)	Comment / Research rating
ENDURO ROYALTY TRUST (NDRO)	11,000	\$ 21.14	\$ 232,490.15	\$ 16.770	\$ 184,470.00	-\$ 48,020.15	10.575	18,403.00	In cash account
KRAFT FOODS GROUP INC (KRFT)	1,300	39.93	51,914.64	45.470	59,111.00	7,196.36	4.504	2,600.00	In cash account
COM									
MONDELEZ INTERNATIONAL INC (MDLZ)	3,900	24.80	96,719.51	25.453	99,266.70	2,547.19	2.059	2,028.00	In cash account
COM									
***VODAFONE GROUP PLC (VOD)	9,000	27.79	250,109.65	25.190	226,710.00	- 23,399.65	5.998	13,500.00	In cash account
SPONSORED ADR NEW									
Total USD Common stocks					\$ 569,667.70	-\$ 61,676.25		\$ 36,531.00	
Master limited partnerships									
BUCKEYE PARTNERS LP (BPL)	443	\$ 10.00	\$ 4,430.00	\$ 45.410	\$ 20,116.63	\$ 15,686.63	9.222	1,838.45	In cash account
UNITS LTD PARTNERSHIP INT									
HI CRUSH PARTNERS LP (HCLP)	3,000	17.00	51,000.00	15.090	45,270.00	- 5,730.00	6.396	2,850.00	In cash account
COM UNIT LTD PARTNER INTS									
KINDER MORGAN ENERGY PARTNERS (KMP)	2,600	7.19	18,694.00	79.790	207,454.00	188,760.00	6.443	13,104.00	In cash account
LP-UNITS LTD PARTNERSHIP INT									
NORTHERN TIER ENERGY LP (NTI)	5,000	14.00	70,000.00	25.440	127,200.00	57,200.00	23.605	29,600.00	In cash account
QR ENERGY LP (QRE)	4,600	19.64	90,347.65	16.580	76,268.00	- 14,079.65	11.919	8,970.00	In cash account
SUNOCO LOGISTICS PARTNERS LP (SXL)	2,400	6.75	16,200.00	49.730	119,352.00	103,152.00	4.183	4,968.00	In cash account
COM UNITS									
Total USD Master limited partnerships					\$ 569,660.63	\$ 344,988.98		\$ 61,330.45	

Total Equities

\$ 1,155,248.33 \$ 283,312.73 \$ 97,861.45

Fixed income

Yield information is provided for informational purposes only. Barclays makes reasonable efforts to ensure its accuracy but should not be held responsible for errors or omissions.

+ 384,120.00

63 1,549,338.00



Market Value of Investments

pg 2 of 2

SAUNDERS FOUNDATION

December 31, 2012 16-128 933 D

832-18704

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Corporate bonds	Par	Unit cost		Total cost	Market price	Market value		Unrealized gain/loss	Yield-to-maturity(%)	Comment
		Adj	unit cost			Accrued interest	10,710.00			
GOODYEAR TIRE & RUBR CO	324,000		\$ 93.983	\$ 304,503.85	115.250	\$ 373,410.00	10,710.00	\$ 62,292.58	6.21	In cash account
DUE 15 AUG 2020 @ 8.750%			96.024	311,117.42						Moody's B1
ISIN US382550BA86										S&P B+
DATED DATE 05 MAR 2010										
Total Fixed Income						\$ 373,410.00		\$ 62,292.58		
						\$ 10,710.00				
						\$ 384,120.00				

Cash, cash equivalents & other

Money Market Preferred, SAVRs and other Auction Rate Securities are included in the Cash, Cash Equivalents and Other category. The interest rate on these securities generally is reset on a periodic basis in an auction process. Investors should be aware that these securities may have a final legal maturity date that is of a long-term nature and that under certain circumstances the rate paid or the mechanism for setting the rate paid on these securities could change. Please consult your investment representative with any questions.

Gain/Loss information also excludes cash, cash equivalents, and other

Cash Investments	Quantity	Market value		Comment
		Accrued income	0.26	
FEDERATED AUTOMATED CASH MGMT TRUST II	27,254.08	\$ 27,254.08		
Total Cash, cash equivalents & other		\$ 27,254.08	\$ 0.26	
		\$ 27,254.34		

Saunders Foundation

Schedule A

Cont. paid out

16-1289330

Date	CHK Num	Description	Memo	Category	Cleared bank	Amount
CONTRIBUTIONS PAID OUT						
1/11/2012	987	Holy Family parish		CONTRIBUTION	R	(400 00)
1/20/2012	989	Al Seigel Center		CONTRIBUTION	R	(16,667 00)
1/27/2012	991	Bay Colony Scholarship Fund	final payment	CONTRIBUTION	R	(100 00)
1/30/2012	988	Education Enterprise Of NY		CONTRIBUTION	R	(70,000 00)
2/2/2012	990	CgNR		CONTRIBUTION	R	(3,000 00)
2/9/2012	992	Holy Family parish	final payment	CONTRIBUTION	R	(400 00)
3/7/2012	994	Holy Family parish		CONTRIBUTION	R	(400 00)
3/12/2012	993	Covenant House		CONTRIBUTION	R	(500 00)
4/11/2012	995	Holy Family parish		CONTRIBUTION	R	(400 00)
4/17/2012	996	Ossian Center Cemetery		CONTRIBUTION	R	(500 00)
5/15/2012	998	Camp Stella Maris		CONTRIBUTION	R	(1,250 00)
5/18/2012	1000	Holy Family parish		CONTRIBUTION	R	(400 00)
5/22/2012	1003	Muscular Dystrophy Association		CONTRIBUTION	R	(1,750 00)
5/23/2012	1002	Young Entrepreneurs YEA!		CONTRIBUTION	R	(22,231 91)
6/7/2012	1004	Five Rivers Council		CONTRIBUTION	R	(1,000 00)
6/18/2012	1006	Compeer Rochester		CONTRIBUTION	R	(5,000 00)
6/26/2012	1005	United Way		CONTRIBUTION	R	(2,000 00)
6/27/2012	1007	Paul Smiths College	boyscouts	CONTRIBUTION	R	(11,000 00)
7/13/2012	1008	Adirondack Park Institute		CONTRIBUTION	R	(1,000 00)
7/24/2012	1009	Dansville library Expansion Fund		CONTRIBUTION	R	(60,000 00)
7/30/2012	1011	Adirondack Experience		CONTRIBUTION	R	(1,000 00)
7/31/2012	1010	American Red Cross		CONTRIBUTION	R	(500 00)
8/7/2012	1012	Seneca Waterways Council		CONTRIBUTION	R	(1,000 00)
8/20/2012	1013	Education Enterprise Of NY		CONTRIBUTION	R	(20,000 00)
8/27/2012	1014	Dansville Ambulance		CONTRIBUTION	R	(500 00)
11/5/2012	1024	Boy Scouts of America		CONTRIBUTION	R	(5,000 00)
11/8/2012	1028	Syracuse Home At McHarrie Place Foundation	memorial gift-Dan Hogan's mother	CONTRIBUTION	R	(500 00)
11/9/2012	1026	American Legion Post #87	Christmas fund	CONTRIBUTION	R	(200 00)
11/9/2012	1029	YMCA Of Greater Rochester		CONTRIBUTION	R	(1,000 00)
11/13/2012	1031	Toast to Your Health		CONTRIBUTION	R	(1,550 00)
11/14/2012	1027	Valley Wesleyan Church		CONTRIBUTION	R	(100 00)
11/20/2012	1030	Holy Family parish		CONTRIBUTION	R	(400 00)
11/28/2012	1025	Lakeville Firemans Exempt Club		CONTRIBUTION	R	(100 00)
12/10/2012	1032	Lake Placid Center for the Arts		CONTRIBUTION	R	(500 00)
12/12/2012	1033	Dansville fire Dept		CONTRIBUTION	R	(500 00)
12/24/2012	1035	Noyes Memorial Hospital		CONTRIBUTION	R	(500 00)
9/13/2012	1015	Adirondack Medical Center		CONTRIBUTION	R	(5,000 00)
9/19/2012	1016	Holy Family parish		CONTRIBUTION	R	(800 00)
9/24/2012	1017	The Wild Center	annual to museum in Tupper Lake	CONTRIBUTION	R	(1,000 00)
9/24/2012	1018	Mary Carola Childrens Center		CONTRIBUTION	R	(5,000 00)
10/5/2012	1019	Teresa House	Annual Campaign	CONTRIBUTION	R	(1,000 00)
10/9/2012	1020	Catholic Ministries Appeal	annual appeal	CONTRIBUTION	R	(1,000 00)
10/4/2012	1021	Holy Family parish		CONTRIBUTION	R	(200 00)
10/29/2012	1022	Town Of North Elba	Lake Placid Horse Show	CONTRIBUTION	R	(1,000 00)
TOTAL CONTRIBUTIONS PAID OUT						(246,348 91)

K-1's Alliance, Northern Tier, & Buckeye contributions + 18.00

246,366.91

Saunders Foundation

Contributions Received

16-1289330

CONTRIBUTIONS RECEIVED						
Date	CHK Num	Description	Memo	Category	Cleared bank	Amount
3/20/2012		Dda Deposit		Mary Memorial Fund	R	4,100 00
3/21/2012		Dda Deposit		Mary Memorial Fund	R	1,815 00
3/22/2012		Dda Deposit		Mary Memorial Fund	R	3,650 00
3/23/2012		Dda Deposit		Mary Memorial Fund	R	360 00
3/26/2012		Dda Deposit		Mary Memorial Fund	R	8,830 00
3/27/2012		Dda Deposit		Mary Memorial Fund	R	4,200 00
3/28/2012		Dda Deposit		Mary Memorial Fund	R	1,750 00
3/29/2012		Dda Deposit		Mary Memorial Fund	R	1,050 00
3/30/2012		Dda Deposit		Mary Memorial Fund	R	300 00
4/2/2012		Dda Deposit		Mary Memorial Fund	R	1,295 00
4/3/2012		Dda Deposit		Mary Memorial Fund	R	1,150 00
4/4/2012		Dda Deposit		Mary Memorial Fund	R	600 00
4/5/2012		Dda Deposit		Mary Memorial Fund	R	11,005 00
4/9/2012		Dda Deposit		Mary Memorial Fund	R	1,400 00
4/10/2012		Dda Deposit		Mary Memorial Fund	R	1,000 00
4/11/2012		Dda Deposit		Mary Memorial Fund	R	1,250 00
4/12/2012		Dda Deposit		Mary Memorial Fund	R	100 00
4/17/2012		Dda Deposit		Mary Memorial Fund	R	125 00
4/18/2012		Dda Deposit		Mary Memorial Fund	R	600 00
4/19/2012		Dda Deposit		Mary Memorial Fund	R	200 00
5/1/2012		Dda Deposit		Mary Memorial Fund	R	85 00
5/2/2012		Dda Deposit		Mary Memorial Fund	R	100 00
5/3/2012		Dda Deposit		Mary Memorial Fund	R	100 00
5/7/2012		Dda Deposit		Mary Memorial Fund	R	50 00
5/23/2012		Dda Deposit		Mary Memorial Fund	R	100 00
5/29/2012		Dda Deposit		Mary Memorial Fund	R	100 00
6/4/2012		Dda Deposit		Mary Memorial Fund	R	400 00
6/12/2012		Dda Deposit		Mary Memorial Fund	R	100 00
6/18/2012		Dda Deposit		Mary Memorial Fund	R	100 00
6/28/2012		Dda Deposit		Mary Memorial Fund	R	25 00
7/24/2012		Dda Deposit		Mary Memorial Fund	R	1,000 00
4/23/2012		Dda Deposit		Mary Memorial Fund	R	500 00
12/17/2012		Deposit		Mary Memorial Fund	R	600 00
10/9/2012		Deposit		Mary Memorial Fund	R	100 00
TOTAL MARY MEMORIAL FUND						48,140 00
11/13/2012		Deposit--contribution rec'd	Cathy Saunders sewing grp cont to foundation	cont rec'd	R	100 00
10/15/2012		Deposit--Various Contributions rec'd	Cathy Saunders sewing grp cont to foundation	cont rec'd	R	500 00
10/22/2012		Deposit--contribution rec'd	Cathy Saunders check for sewing grp	cont rec'd	R	100 00
TOTAL FROM CATHY SAUNDERS SEWING GROUP						700 00
TOTAL CONTRIBUTIONS RECEIVED						48,840.00