



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Form **990-PF**

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

OMB No 1545-0052

2012Department of the Treasury
Internal Revenue Service

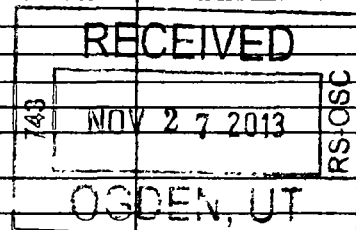
Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2012, or tax year beginning , 2012, and ending

Name of foundation Albert and Margaret Alkek Foundation		A Employer identification number 76-0491186
Number and street (or P.O. box number if mail is not delivered to street address) 1100 Louisiana St	Room/suite 5250	B Telephone number (see the instructions) (713) 652-6601
City or town Houston	State ZIP code TX 77002	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	2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
<input type="checkbox"/> Final return	<input type="checkbox"/> Amended return	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
<input type="checkbox"/> Address change	<input type="checkbox"/> Name change	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
H Check type of organization. <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation		
<input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		
I Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ 215,818,397.		
J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual (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)	1,563,036.			
	2 <input type="checkbox"/> If the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments.	549.	549.		
	4 Dividends and interest from securities.	3,210,776.	3,192,781.		
	5a Gross rents.				
	b Net rental income or (loss).				
	6a Net gain/(loss) from sale of assets not on line 10	8,132,672.			
	b Gross sales price for all assets on line 6a.	18,735,680.			
	7 Capital gain net income (from Part IV, line 2)		8,029,575.		
	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)					
	1,081,758.	770,583.			
12 Total. Add lines 1 through 11.	13,988,791.	11,993,488.			
ADMINISTRATIVE AND OPERATING EXPENSES	13 Compensation of officers, directors, trustees, etc.	681,196.	440,424.		240,772.
	14 Other employee salaries and wages.	14,820.	4,446.		10,374.
	15 Pension plans, employee benefits.	32,519.	24,515.		8,004.
	16a Legal fees (attach schedule).	419,156.	419,156.		
	b Accounting fees (attach sch).	23,508.	14,342.		7,266.
	c Other prof fees (attach sch)	1,067,524.	1,067,524.		
	17 Interest.	56,528.	53,312.		
	18 Taxes (attach schedule)(see instrs)	146,485.	65,374.		
	19 Depreciation (attach sch) and depletion.	39,911.	26,490.		
	20 Occupancy.	36.	24.		12.
	21 Travel, conferences, and meetings.	3,939.	3,661.		277.
	22 Printing and publications.	802.	802.		
	23 Other expenses (attach schedule)				
		1,709,564.	956,974.		6,343.
	24 Total operating and administrative expenses. Add lines 13 through 23.	4,195,988.	3,077,044.		273,048.
25 Contributions, gifts, grants paid.	10,400,000.			10,400,000.	
26 Total expenses and disbursements. Add lines 24 and 25.	14,595,988.	3,077,044.		10,673,048.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements.	-607,197.				
b Net investment income (if negative, enter -0-).		8,916,444.			
c Adjusted net income (if negative, enter -0-).					

SCANNED DEC 04 2013

616
7

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	306.	306.	306.
	2 Savings and temporary cash investments	9,464,002.	1,332,137.	1,332,137.
	3 Accounts receivable 418.			
	Less: allowance for doubtful accounts	297,961.	418.	418.
	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)	31,793,541.	33,022,651.	40,609,661.
	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)	146,501,483.	153,792,851.	173,812,955.	
14 Land, buildings, and equipment: basis 283,852.				
Less: accumulated depreciation (attach schedule) 191,281.	132,481.	92,571.	61,700.	
15 Other assets (describe ▶ Oil & gas royalty interest)	0.	0.	1,220.	
16 Total assets (to be completed by all filers — see the instructions. Also, see page 1, item I).	188,189,774.	188,240,934.	215,818,397.	
LIABILITIES	17 Accounts payable and accrued expenses			
	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)			
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here <input checked="" type="checkbox"/> X and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted	188,189,774.	188,240,934.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 31.			
	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)	188,189,774.	188,240,934.	
	31 Total liabilities and net assets/fund balances (see instructions)	188,189,774.	188,240,934.	

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	188,189,774.
2 Enter amount from Part I, line 27a	2	-607,197.
3 Other increases not included in line 2 (itemize) ▶ See attached schedule	3	2,121,334.
4 Add lines 1, 2, and 3	4	189,703,911.
5 Decreases not included in line 2 (itemize) ▶ See attached schedule	5	1,462,977.
6 Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	188,240,934.

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 Marketable Equity Securities		P	various	various
b US Partnerships, Corporations & Trusts		P	various	various
c Non-US Partnerships and Corporations		P	various	various
d Security Litigation Settlements		P	various	various
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 7,786,746.		5,983,958.	1,802,788.
b 4,556,430.		239,056.	4,317,374.
c 6,382,909.		4,483,091.	1,899,818.
d 9,595.		0.	9,595.
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 0.	0.	0.	1,802,788.
b 0.	0.	0.	4,317,374.
c 0.	0.	0.	1,899,818.
d 0.	0.	0.	9,595.
e			

2 Capital gain net income or (net capital loss).	<div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div>		2	8,029,575.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):	<div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8 </div>		3	0.

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	10,744,703.	213,150,343.	0.050409
2010	10,228,677.	203,946,002.	0.050154
2009	9,946,576.	190,851,358.	0.052117
2008	11,332,673.	233,992,634.	0.048432
2007	12,476,533.	256,410,565.	0.048658
2 Total of line 1, column (d)			2 0.249770
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 0.049954
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5.			4 210,815,917.
5 Multiply line 4 by line 3			5 10,531,098.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 89,164.
7 Add lines 5 and 6.			7 10,620,262.
8 Enter qualifying distributions from Part XII, line 4			8 10,673,048.

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 checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	89,164.
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	89,164.
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	89,164.
6 Credits/Payments.			
a 2012 estimated tax pmts and 2011 overpayment credited to 2012	6 a	94,305.	
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	50,000.	
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments. Add lines 6a through 6d	7	144,305.	
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		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	55,141.	
11 Enter the amount of line 10 to be Credited to 2013 estimated tax	11	55,141.	Refunded

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?	1 a	X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?	1 b	X
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?	1 c	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? If 'Yes,' attach a detailed description of the activities.	2	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? If 'Yes,' attach a conformed copy of the changes	3	X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4 a	X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?	4 b	X
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If 'Yes,' attach the statement required by General Instruction T.	5	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?	6	X
7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XIV	7	X
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) TX - Texas		
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	8 b	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)? If 'Yes,' complete Part XIV	9	X
10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses	10	X

BAA

Form 990-PF (2012)

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?	13	X	
Website address <u>www.alkek.org</u>				
14	The books are in care of <u>Scott Seaman, Executive Director</u> Telephone no. <u>(713) 652-6601</u> Located at <u>1100 Louisiana, Ste 5250 Houston TX</u> ZIP + 4 <u>77002</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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input checked="" type="checkbox"/> Yes <input 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)?	1 b	X
Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>		
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?	<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)	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 checked="" type="checkbox"/> Yes <input 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

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

5 a 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)?

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).

6 a 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?

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

7 a 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?

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
See attached statement				

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 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
Cummings & Lockwood Six Landmark Square Stamford CT 06901	legal counsel	293,661.
Vinson & Elkins 1001 Fannin St., Suite 2500 Houston TX 77002	legal counsel	107,739.
Wells Capital Management 525 Market Street, 10th Floor San Francisco CA 94105	investment management	106,095.
Iridian Asset Management 276 Post Road West Westport CT 06880	investment management	84,359.
Eagle Capital Management, LLC 499 Park Avenue New York NY 10022	investment management	78,468.
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	
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	
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3	

BAA

Form 990-PF (2012)

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	38,862,588.
b Average of monthly cash balances	1b	4,091,329.
c Fair market value of all other assets (see instructions)	1c	171,072,395.
d Total (add lines 1a, b, and c)	1d	214,026,312.
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	0.
3 Subtract line 2 from line 1d	3	214,026,312.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	3,210,395.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	210,815,917.
6 Minimum investment return. Enter 5% of line 5	6	10,540,796.

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	10,540,796.
2a Tax on investment income for 2012 from Part VI, line 5	2a	89,164.
b Income tax for 2012 (This does not include the tax from Part VI.)	2b	35,635.
c Add lines 2a and 2b	2c	124,799.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	10,415,997.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	10,415,997.
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	10,415,997.

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	10,673,048.
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	10,673,048.
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	89,164.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	10,583,884.

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 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				10,415,997.
2 Undistributed income, if any, as of the end of 2012:				
a Enter amount for 2011 only			3,997,697.	
b Total for prior years: 20 , 20 , 20				
3 Excess distributions carryover, if any, to 2012:				
a From 2007	0.			
b From 2008	0.			
c From 2009	0.			
d From 2010	0.			
e From 2011	0.			
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ 10,673,048.				
a Applied to 2011, but not more than line 2a			3,997,697.	
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				6,675,351.
e Remaining amount distributed out of corpus	0.			
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	0.			
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				3,740,646.
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)	0.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9.				
a Excess from 2008	0.			
b Excess from 2009	0.			
c Excess from 2010	0.			
d Excess from 2011	0.			
e Excess from 2012	0.			

BAA

Form 990-PF (2012)

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

N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling.

b Check box to indicate whether the foundation is a private operating foundation described in section

☐ 4942(j)(3) or

☐ 4942(j)(5)

2 a 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) 2012	(b) 2011	(c) 2010	(d) 2009	
b 85% of line 2a				
c Qualifying distributions from Part XII, line 4 for each year listed				
d Amounts included in line 2c not used directly for active conduct of exempt activities				
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c				
3 Complete 3a, b, or c for the alternative test relied upon				
a 'Assets' alternative test — enter:				
(1) Value of all assets				
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)				
b 'Endowment' alternative test — enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed				
c 'Support' alternative test — enter:				
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)				
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)				
(3) Largest amount of support from an exempt organization				
(4) Gross investment income				

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year — see instructions.)**1 Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

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 instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

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

Charles Williams

1100 Louisiana St., Suite 5250

Houston

TX

77002

(713) 652-6601

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

See guidelines at www.alkek.org.

c Any submission deadlines.

None

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

Limited to non-profit organizations in the State of Texas.

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year See attached statement				10,400,000.
Total ▶ 3 a				10,400,000.
b Approved for future payment See attached statement				2,470,500.
Total ▶ 3 b				2,470,500.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclu- sion 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	549.	
4 Dividends and interest from securities	523000	17,982.	14	3,192,781.	13.
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	523000	311,175.	18	770,583.	
8 Gain or (loss) from sales of assets other than inventory . . .	523000	103,097.	18	8,029,575.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
12 Subtotal. Add columns (b), (d), and (e)		432,254.		11,993,488.	13.
13 Total. Add line 12, columns (b), (d), and (e)				13	12,425,755.

(See worksheet in line 13 instructions to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

[illegible]

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

Albert and Margaret Alkek Foundation

Employer identification number

76-0491186

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) (2012)

Name of organization

Employer identification number

Albert and Margaret Alkek Foundation

76-0491186

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	Margaret Alkek Charitable Lead Annuity Trust 1100 Louisiana St., Suite 5250 Houston TX 77002	\$ 1,563,036.	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.)
			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.)

Albert and Margaret Alkek Foundation
TIN: 76-0491186
Form 990-PF Statements
For the Year Ended December 31, 2012

Page 1, Part I, Line 11 – Other Income:

	(a) Revenue and Expenses Per Books	(b) Net Investment Income
Other Income – US Partnerships, Corporations and Trusts	922,358	657,835
Other Income – Non-US Partnerships and Corporations	112,662	112,041
Other Income – Marketable Equity Securities	46,031	1
Oil and Gas Royalty Income	706	706
	<u>1,081,757</u>	<u>770,583</u>

Page 1, Part I, Line 16a, b and c – Legal, Accounting & Other Professional Fees:

	(a) Revenue and Expenses Per Books	(b) Net Investment Income	d) Disbursements for Charitable Purposes
<u>16a – Legal Fees</u>			
Legal Fees	419,156	419,156	0
	<u>419,156</u>	<u>419,156</u>	<u>0</u>
<u>16b – Accounting Fees</u>			
Audit Services	17,536	11,639	5,897
Tax Services	5,972	2,703	1,369
	<u>23,508</u>	<u>14,342</u>	<u>7,266</u>
<u>16c – Other Professional Fees</u>			
Management Fees	1,032,122	1,032,122	0
Custody Fees	35,402	35,402	0
	<u>1,067,524</u>	<u>1,067,524</u>	<u>0</u>

Page 1, Part I, Line 18 – Taxes:

	(a) Revenue and Expenses Per Books	(b) Net Investment Income
Foreign Taxes	65,790	65,314
Excise Tax Payments (Form 990-PF)	45,000	0
Income Tax Payments (Form 990-T)	35,635	0
Oil and Gas Royalty	60	60
	<u>146,485</u>	<u>65,374</u>

Albert and Margaret Alkek Foundation
TIN: 76-0491186
Form 990-PF Statements
For the Year Ended December 31, 2012

Page 1, Part I, Line 19 – Depreciation:

	(a) Revenue and Expenses Per Books	(b) Net Investment Income	d) Disb. for Charitable Purposes
Straight line depreciation on furniture and equipment with 5-7 year life and varied purchase dates	39,911	26,490	0
	<u>39,911</u>	<u>26,490</u>	<u>0</u>

Page 1, Part I, Line 23 – Other Expenses:

	(a) Revenue and Expenses Per Books	(b) Net Investment Income	d) Disb. for Charitable Purposes
Deductions – US Partnerships, Corporations and Trusts	1,532,534	819,885	0
Depletion – US Partnerships, Corporations and Trusts	100,173	66,576	0
Other Expenses – Non-US Partnerships & Corporations	58,588	58,588	0
General and Administrative	18,268	11,925	6,343
	<u>1,709,563</u>	<u>956,974</u>	<u>6,343</u>

Page 2, Part II, Line 3 – Accounts Receivable:

	End of Year	
	Book Value	Fair Market Value
Expenses paid on behalf of an investment partnership	418	418
	<u>418</u>	<u>418</u>

Page 2, Part II, Line 10b – Investments – Corporate Stock:

	End of Year	
	Book Value	Fair Market Value
Directly Held	15,083,491	16,894,575
Managed Accounts	17,939,160	23,715,086
	<u>33,022,651</u>	<u>40,609,661</u>

Albert and Margaret Alkek Foundation
TIN: 76-0491186
Form 990-PF Statements
For the Year Ended December 31, 2012

Page 2, Part II, Line 13 – Investments – Other:

	End of Year	
	Book Value	Fair Market Value
Non-Marketable Corporate Equity Securities	2,065,000	2,046,000
Non-Marketable Corporate Bond	300,000	300,000
US Partnerships, Corporations and Trusts	81,456,248	95,201,136
Non-US Partnerships and Corporations	69,971,603	76,265,819
	<u>153,792,851</u>	<u>173,812,955</u>

Page 2, Part II, Line 14 – Description of Land, Buildings, and Equipment:

	Cost Basis	Accumulated Depreciation	Book Value	Fair Market Value
Furniture	265,537	179,403	86,134	60,000
Equipment	18,315	11,878	6,437	1,700
	<u>283,852</u>	<u>191,281</u>	<u>92,571</u>	<u>61,700</u>

Page 2, Part III, Line 3 – Other Increases Not Included in Line 2:

Book/tax differences in investments	<u>2,121,333</u>
-------------------------------------	------------------

Page 2, Part III, Line 5 – Other Decreases Not Included in Line 2:

Book/tax differences in investments	1,460,922
Non-deductible pass-thru partnership expenses	1,980
Meals expense subject to 50% limitation	52
Penalty and interest on prior year Form 990-T	23
	<u>1,462,977</u>

Albert and Margaret Alkek Foundation
TIN: 76-0491186
Form 990-PF Statements
For the Year Ended December 31, 2012

Page 6, Part VIII, Line 1 – Information About Officers and Directors:

<u>(a) Name and Address*</u>	<u>(b) Title and Average Hours Per Week Devoted to Position</u>	<u>(c) Compensation</u>	<u>(d) Contributions to Employee Benefit Plans</u>
Bobby R. Alford, MD	Director Periodic Board Meetings	15,000	0
Daniel C. Arnold	Director Periodic Board and Investment Committee Meetings	18,000	0
Sandra K. Bacak	Assistant Secretary and Controller 40 Hours	102,500	5,125
Joe M. Bailey	Director Periodic Board and Investment Committee Meetings	18,000	0
Dan B. Jones, MD	Director Periodic Board Meetings	15,000	0
Paul Klotman, MD	Director Periodic Board Meetings	15,000	0
Scott B. Seaman	Treasurer and Executive Director 15 – 40 Hours	310,000	0
Charles A. Williams	President and Director 10 - 25 Hours	154,696	0
Margaret Alkek Williams	Director Periodic Board Meetings	15,000	0
Randa D. Williams	Director Periodic Board and Investment Committee Meetings	18,000	0
		<u>681,196</u>	<u>5,125</u>

Part VIII, Column (e) – Expense account, other allowances – \$0 for all listed above

*Address for all Directors and Employees is 1100 Louisiana Street, Suite 5250, Houston, TX 77002

Albert and Margaret Alkek Foundation
TIN: 76-0491186
Form 990-PF Statements
For the Year Ended December 31, 2012

Page 11, Part XV, Line 3a – Grants and Contributions Paid:

No recipient is an individual and all are public charities as described in Section 509(a) of the Internal Revenue Code of 1986, as amended ("I.R.C.") and are exempt under I.R.C. section 501(c)(3) or are governmental units described in I.R.C. Section 170(c) which are not private foundations.

<u>Recipient Name and Address</u>	<u>Foundation Status of Recipient</u>	<u>Purpose of Grant or Contribution</u>	<u>Amount</u>
<u>Medical:</u>			
Arthur Nagel Community Clinic, Inc. Bandera, Texas 78003	public charity	Program support	20,000
Baylor College of Medicine Houston, Texas 77030	public charity	Medical research and educational programs	6,710,000
The University of Texas M. D. Anderson Cancer Center Houston, Texas 77030	govt. unit	Hospital construction	1,000,000
St. Mark's Medical Center LaGrange, Texas 78945	public charity	Program support	10,000
Texas Heart Institute Houston, Texas 77030	public charity	Program support	50,000
United States Fund for UNICEF Houston, Texas 77027	public charity	Baylor International Pediatric AIDS Initiative at Texas Children's Hospital	500,000
			<hr/> 8,290,000
<u>Educational:</u>			
Episcopal High School Houston, Texas 77277	public charity	Scholarships	47,000
Nehemiah Center, Inc. Houston, Texas 78003	public charity	Program support	25,000
Southwestern University Georgetown, Texas 78627	public charity	Science center construction	250,000
St. Mary's University San Antonio, Texas 78228	public charity	Scholarships	150,000
St. Pius X High School Houston, Texas 77091	public charity	Capital campaign	25,000
Texas State University-San Marcos San Marcos, Texas 78666	public charity & govt unit	Library repository construction	200,000
TMI-The Episcopal School of Texas San Antonio, Texas 78257	public charity	Scholarships	130,000
			<hr/> 827,000

Albert and Margaret Alkek Foundation
TIN: 76-0491186
Form 990-PF Statements
For the Year Ended December 31, 2012

Page 11, Part XV, Line 3a – Grants and Contributions Paid, Continued:

<u>Recipient Name and Address</u>	<u>Foundation Status of Recipient</u>	<u>Purpose of Grant or Contribution</u>	<u>Amount</u>
<u>Community:</u>			
Bandera Public Library Corporation Bandera, Texas 78003	public charity	Program support	23,500
Boys and Girls Club of Bandera County Bandera, Texas 78003	public charity	Program support	20,000
Boys and Girls Clubs of Greater Houston, Inc. Houston, Texas 77009	public charity	Program support	50,000
The Brookwood Community Brookshire, Texas 77423	public charity	Program support	25,000
Houston Food Bank Houston, Texas 77029	public charity	Program support	25,000
Pro-Vision Academy Houston, Texas 77021	public charity	Program support	25,000
The Salvation Army, Greater Houston Area Command Houston, Texas 77002	public charity	Community center construction	150,000
St. Christopher's Episcopal Church Bandera, Texas 78003	public charity	Program support	58,500
Texas A&M University-Kingsville Caesar Kleberg Wildlife Research Institute Kingsville, Texas 78363	govt. unit	Program support	250,000
Texas Brigades San Antonio, Texas 78218	public charity	Program support	25,000
			<hr/> 652,000
<u>Cultural:</u>			
Houston Ballet Foundation Houston, Texas 77219	public charity	Capital campaign	411,000
Houston Symphony Society Houston, Texas 77002	public charity	Program support	220,000
			<hr/> 631,000
			<hr/> <hr/> 10,400,000

Albert and Margaret Alkek Foundation
TIN: 76-0491186
Form 990-PF Statements
For the Year Ended December 31, 2012

Page 11, Part XV, Line 3b – Grants and Contributions Approved for Future Payment:

No recipient is an individual and all are public charities as described in Section 509(a) of the Internal Revenue Code of 1986, as amended ("I.R.C.") and are exempt under I.R.C. section 501(c)(3) or are governmental units described in I.R.C. Section 170(c) which are not private foundations.

<u>Recipient Name and Address</u>	<u>Foundation Status of Recipient</u>	<u>Purpose of Grant or Contribution</u>	<u>Amount</u>
Houston Symphony Society Houston, Texas 77002	public charity	Program support	100,000
Houston Ballet Foundation Houston, Texas 77002	public charity	Capital campaign	2,370,500
			<hr/> 2,470,500 <hr/>