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SCANNED MAY 26 2015

Form **990-PF**

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

OMB No 1545-0052

2014

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Do not enter social security numbers on this form as it may be made public.
▶ Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

For calendar year 2014 or tax year beginning , 2014, and ending , 20

Name of foundation JUDITH AND HENRY SAUER CHARITABLE FOUNDATION		A Employer identification number (76-0425779) 760425579
Number and street (or P O box number if mail is not delivered to street address) 5064 FIELDWOOD	Room/suite	B Telephone number (see instructions) 713-627-2244
City or town, state or province, country, and ZIP or foreign postal code HOUSTON TX 77056		C If exemption application is pending, check here ☐
G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐ E If private foundation status was terminated under section 507(b)(1)(A), check here ☐ F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ 689,299	J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____ (Part I, column (d) must be on cash basis.)	

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income N/A	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check ☐ if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	14,357	14,357		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	31,875			
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2) . .		31,875		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
Operating and Administrative Expenses	b Less: Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)				
	12 Total. Add lines 1 through 11	46,232	46,232		
	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)				
	c Other professional fees (attach schedule)	7529	7529	?	7529
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	165	165		165
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)				
	24 Total operating and administrative expenses. Add lines 13 through 23	7694	7694		7694
25 Contributions, gifts, grants paid	18500			18500	
26 Total expenses and disbursements. Add lines 24 and 25	26194	7694		26,194	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	20,038				
b Net investment income (if negative, enter -0-)		38,538			
c Adjusted net income (if negative, enter -0-)					

For Paperwork Reduction Act Notice, see instructions.

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Form 990-PF (2014)

P 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				
	2	Savings and temporary cash investments		23,671	27,862	27,862
	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 schedule) ▶				
		Less: allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments—U.S. and state government obligations (attach schedule)				
	b	Investments—corporate stock (attach schedule)		345,332	302,702	363,198
	c	Investments—corporate bonds (attach schedule)		123,144	150,904	155,099
Liabilities	11	Investments—land, buildings, and equipment: basis ▶				
		Less: accumulated depreciation (attach schedule) ▶				
	12	Investments—mortgage loans				
	13	Investments—other (attach schedule)		41,652	39,107	42,474
	14	Land, buildings, and equipment: basis ▶				
		Less: accumulated depreciation (attach schedule) ▶				
	15	Other assets (describe ▶)		75,782	119,966	100,666
	16	Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)		609,581	640,541	689,299
	17	Accounts payable and accrued expenses				
	18	Grants payable				
Net Assets or Fund Balances	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe ▶)				
	23	Total liabilities (add lines 17 through 22)				
		Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
		Foundations that do not follow SFAS 117, check here ▶ ☐ and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds				
	28	Paid-in or capital surplus, or land, bldg., and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds				
	30	Total net assets or fund balances (see instructions)		609,581	640,541	
	31	Total liabilities and net assets/fund balances (see instructions)		609,581	640,541	

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	609,581
2	Enter amount from Part I, line 27a	2	20,038
3	Other increases not included in line 2 (itemize) ▶	3	10,972
4	Add lines 1, 2, and 3	4	
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	640,541

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	SCHEDULE ATTACHED			
b	CAPITAL GAIN DISTRIBUTIONS			
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			14,243
b			
c			17,632
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	31,875
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 (col (b) divided by col (c))
2013			
2012			
2011	N/A		
2010			
2009			

2 Total of line 1, column (d)	2	
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	
4 Enter the net value of noncharitable-use assets for 2014 from Part X, line 5	4	
5 Multiply line 4 by line 3	5	
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	
7 Add lines 5 and 6	7	
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.	8	

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b	1	771	
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2		
3	Add lines 1 and 2	3		
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4		
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	771	
6	Credits/Payments:			
a	2014 estimated tax payments and 2013 overpayment credited to 2014	6a		
b	Exempt foreign organizations—tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments. Add lines 6a through 6d	7		
8	Enter any penalty for underpayment of estimated tax. Check here ☐ 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	771	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11	Enter the amount of line 10 to be: Credited to 2015 estimated tax ☐ Refunded ☐	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		✓
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? 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?		✓
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? If "Yes," attach a detailed description of the activities.		✓
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		✓
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		✓
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		✓
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	✓	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	✓	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ 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	✓	
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 2014 or the taxable year beginning in 2014 (see instructions for Part XIV)? If "Yes," complete Part XIV		✓
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		✓

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		✓
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		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	✓	
Website address ▶				
14	The books are in care of ▶ <u>HENRY SAUER</u>	Telephone no. ▶	<u>713-677-2244</u>	
	Located at ▶ <u>5064 FIELDWOOD</u>	ZIP+4 ▶	<u>77056</u>	
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here. ▶ ☐	15		
16	At any time during calendar year 2014, 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 FinCEN Form 114, (formerly TD F 90-22.1). If "Yes," enter the name of the foreign country ▶				

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No		
b If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b	
Organizations relying on a current notice regarding disaster assistance check here ▶ ☐		
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 2014?	1c	✓
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014? ☒ Yes ☐ No		
If "Yes," list the years ▶ 20____, 20____, 20____, 20____		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions.)	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20____, 20____, 20____, 20____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No		
b If "Yes," did it have excess business holdings in 2014 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 2014.)	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	✓
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2014?	4b	✓

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

- 5a During the year did the foundation pay or incur any amount to:
- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions) ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☐ No
- b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? ☐ Yes ☒ No
- Organizations relying on a current notice regarding disaster assistance check here ☐ ☒
- c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No
- If "Yes," attach the statement required by Regulations section 53.4945–5(d).
- 6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No
- b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No
- If "Yes" to 6b, file Form 8870.
- 7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No
- b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No

5b

6b

7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SCHEDULE ATTACHED				
NO HOURS NO COMPENSATION				

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 ☐

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)***3** Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

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

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 NONE	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3 ▶	

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	680,154
b	Average of monthly cash balances	1b	
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	680,154
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	680,154
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	10,202
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	669,952
6	Minimum investment return. Enter 5% of line 5	6	33,498

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	33,498
2a	Tax on investment income for 2014 from Part VI, line 5	2a	771
b	Income tax for 2014. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	771
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	32,727
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	32,727
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	32,727

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	26,194
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	26,194
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	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	26,194

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 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7				33,454
2 Undistributed income, if any, as of the end of 2014:				
a Enter amount for 2013 only				
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2014:				
a From 2009				
b From 2010				
c From 2011				
d From 2012				
e From 2013				
f Total of lines 3a through e				
4 Qualifying distributions for 2014 from Part XII, line 4: ▶ \$ <u>26,194</u>				
a Applied to 2013, 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 2014 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2014 (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	33,454			
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount—see instructions				
e Undistributed income for 2013. Subtract line 4a from line 2a. Taxable amount—see instructions				
f Undistributed income for 2014. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2015				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required—see instructions)				
8 Excess distributions carryover from 2009 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2015. Subtract lines 7 and 8 from line 6a	33,454			
10 Analysis of line 9:				
a Excess from 2010				
b Excess from 2011				
c Excess from 2012				
d Excess from 2013				
e Excess from 2014				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2014, 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)

2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

Tax year	Prior 3 years			(e) Total
(a) 2014	(b) 2013	(c) 2012	(d) 2011	
85% of line 2a				
Qualifying distributions from Part XII, line 4 for each year listed				
Amounts included in line 2c not used directly for active conduct of exempt activities		N/A		
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 $\frac{2}{3}$ 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).)

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see 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 address of the person to whom applications should be addressed:

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

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

WRITTEN DESCRIPTION

c Any submission deadlines.

NONE

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

NONE

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
EASTRIC SEALS, HOUSTON TX			MEDICAL RESEARCH	10,500
HARMONY HILL CANCER CENTER, SEATTLE			RESEARCH	2,000
PRATT FINE ARTS CENTER, SEATTLE				500
CHILDREN'S ALLIANCE			CHILD ADVOCACY	2,100
THURGOOD MARSHALL SCHOOL			PUBLIC SCHOOL	2,000
RANIER VALLEY SCHOOL			PRIV SCHOOL	2,000
Total				3a 18,500
b Approved for future payment				
Total				3b

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

		Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
a	Transfers from the reporting foundation to a noncharitable exempt organization of:		
	(1) Cash	1a(1)	✓
	(2) Other assets	1a(2)	✓
b	Other transactions:		
	(1) Sales of assets to a noncharitable exempt organization	1b(1)	✓
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)	✓
	(3) Rental of facilities, equipment, or other assets	1b(3)	✓
	(4) Reimbursement arrangements	1b(4)	✓
	(5) Loans or loan guarantees	1b(5)	✓
	(6) Performance of services or membership or fundraising solicitations	1b(6)	✓
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	✓
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.		

[illegible]

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☐ No

b If "Yes," complete the following schedule.

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

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

Signature of officer or trustee [Signature] Date 5/7/15 Title TREASURER

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☒ No

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no	

Portfolio Detail

Account: 30-11-622-1361300 IM JUDITH & HENRY SAUER CHAR FDN

Oct. 01, 2014 through Dec. 31, 2014

Units	Description	CUSIP Sector (2)	Market Value(1)/ Market Price	Accrued Income	Average Unit Cost	Tax Cost/ Unit Cost	Unrealized Gain/Loss	Estimated Annual Income	Cur Yld/ YTM
Cash/Currency									
Cash Equivalents									
124.610	BANK OF AMERICA MONEY MARKET SAVINGS ACCOUNT (Income Investment)	994458719	\$124.61	\$0.00	\$124.61 1.000		\$0.00	\$0.07	0.05%
27,737.060	BANK OF AMERICA MONEY MARKET SAVINGS ACCOUNT	994458719	27,737.06	1.15	27,737.06 1.000		0.00	16.64	0.06
	Total Cash Equivalents		\$27,861.67	\$1.15	\$27,861.67		\$0.00	\$16.71	0.06%
Total Cash/Currency									
			\$27,861.67	\$1.15	\$27,861.67		\$0.00	\$16.71	0.06%

Equities									
(2) Industry Sector Codes									
		CND = Consumer Discretionary CNS = Consumer Staples ENR = Energy	FIN = Financials HEA = Health Care IND = Industrials	IFT = Information Technology MAT = Materials OEQ = Other Equities	TEL = Telecommunication Services UTL = Utilities				
U.S. Large Cap									
900.320	ASTON MONTAG & CALDWELL GROWTH FUND CL I Ticker: MCGI X	00078H281 OEQ	\$22,841.12 25.370	\$0.00	\$23,282.27 25.860		-\$441.15	\$161.16	0.70%
2,535.198	COLUMBIA DIVIDEND INCOME FUND CLASS Z SHARES Ticker: GSFT X	19765N245 OEQ	48,042.00 18.950	0.00	32,063.86 12.647		15,978.14	1,085.06	2.25
980.054	MFS VALUE FUND CL I Ticker: MEI I X	552983694 OEQ	34,409.70 35.110	0.00	24,569.95 25.070		9,839.75	772.28	2.24
2,123.758	TCW SELECT EQUITIES FUND CL I Ticker: TGCE X	87234N302 OEQ	55,918.55 26.330	0.00	42,305.27 19.920		13,613.28	2.12	0.00
	Total U.S. Large Cap		\$161,211.37	\$0.00	\$122,221.35		\$38,990.02	\$2,020.62	1.25%

ND0045004

Settlement Date



Portfolio Detail

Oct. 01, 2014 through Dec. 31, 2014

Account: 30-11-622-1361300 IM JUDITH & HENRY SAUER CHAR FDN

Units	Description	CUSIP Sector (2)	Market Value(1)/ Market Price	Accrued Income	Average Unit Cost	Tax Cost/ Unit Cost	Unrealized Gain/Loss	Estimated Annual Income	Cur Yld/ YTM
Equities (Cont)									
U.S. Mid Cap									
115.000	ISHARES CORE S&P MID CAP ETF Ticker: IJH	464287507 OEQ	\$16,652.00 144.800	\$0.00	\$13,016.27 113.185		\$3,635.73	\$223.33	1.34%
1,103.208	JOHN HANCOCK FDS III DISCIPLINED VALUE MID CAP FUND Ticker: JVMIX	47803W406 OEQ	22,031.06 19.970	0.00	16,294.38 14.770		5,736.68	115.84	0.52
471.617	PRUDENTIAL JENNISON MID-CAP GROWTH FUND INC CLZ Ticker: PEGZX	74441C808 OEQ	18,878.83 40.030	0.00	16,294.38 34.550		2,584.45	56.12	0.29
Total U.S. Mid Cap			\$57,561.89	\$0.00	\$45,605.03		\$11,956.86	\$395.29	0.68%
U.S. Small Cap									
140.000	ISHARES RUSSELL 2000 ETF Ticker: IWM	464287655 OEQ	\$16,746.80 119.620	\$0.00	\$13,104.20 93.601		\$3,642.60	\$211.54	1.26%
736.974	KALMAR GROWTH-WITH-VALUE SMALL CAP FUND Ticker: KGSA X	483438404 OEQ	14,547.87 19.740	0.00	13,035.50 17.688		1,512.37	0.00	0.00
363.917	VICTORY SMALL CO OPPTY FUND CL1 SHS Ticker: VSOIX	92646A815 OEQ	14,363.80 39.470	0.00	13,035.50 35.820		1,328.30	34.21	0.23
Total U.S. Small Cap			\$45,658.47	\$0.00	\$39,175.20		\$6,483.27	\$245.75	0.53%
International Developed									
629.127	ARTISAN INTERNATIONAL FUND Ticker: ARTIX	04314H204 OEQ	\$18,848.64 29.960	\$0.00	\$16,294.38 25.900		\$2,554.26	\$143.44	0.76%
500.442	ARTISAN INTL VALUE FUND Ticker: ARTKX	04314H881 OEQ	17,120.12 34.210	0.00	16,294.38 32.560		825.74	273.74	1.59
355.000	VANGUARD FTSE DEVELOPED MARKETS ETF Ticker: VEA	921943858 OEQ	13,447.40 37.880	0.00	11,868.13 33.431		1,579.27	494.87	3.68
Total International Developed			\$49,416.16	\$0.00	\$44,456.89		\$4,959.27	\$912.05	1.84%

Portfolio Detail**Account:** 30-11-622-1361300 IM JUDITH & HENRY SAUER CHAR FDN

Oct. 01, 2014 through Dec. 31, 2014

Units	Description	CUSIP Sector (2)	Market Value(1)/ Market Price	Accrued Income	Average Unit Cost	Tax Cost/ Unit Cost	Unrealized Gain/Loss	Estimated Annual Income	Cur Yld/ YTM
Equities (Cont)									
Emerging Markets									
2,518.938	COLUMBIA EMERGING MARKETS FUND CLASS Z SHARES Ticker: UMEMX	19765Y852 OEQ	\$24,937.49 9.900	\$0.00	\$26,071.01 10.350		-\$1,133.52	\$68.01	0.27%
610.000	VANGUARD FTSE EMERGING MKTS ETF Ticker: VWO	922042858 OEQ	24,412.20 40.020	0.00	25,172.60 41.267		-760.40	697.23	2.85
	Total Emerging Markets		\$49,349.69	\$0.00	\$51,243.61		-\$1,893.92	\$765.24	1.55%
	Total Equities		\$363,197.58	\$0.00	\$302,702.08		\$60,495.50	\$4,338.95	1.19%
Fixed Income									
Investment Grade Taxable									
4,555.809	COLUMBIA INTERMEDIATE BOND FUND CLASS Z SHARES	19765N468	\$41,913.44 9.200	\$116.39	\$40,000.00 8.780		\$1,913.44	\$1,120.73	2.67%
3,496.041	METRO WEST T/R BD CL I	592905509	38,106.85 10.900	61.54	37,547.48 10.740		559.37	870.51	2.28
3,826.677	PIMCO TOTAL RETURN FUND INSTL	693390700	40,792.38 10.660	97.44	38,955.57 10.180		1,836.81	906.92	2.22
	Total Investment Grade Taxable		\$120,812.67	\$275.37	\$116,503.05		\$4,309.62	\$2,898.16	2.39%
International Developed Bonds									
612.522	PIMCO FOREIGN BD US\$HD INSTL	693390882	\$6,596.86 10.770	\$3.57	\$6,939.87 11.330		-\$343.01	\$161.09	2.44%
	Total International Developed Bonds		\$6,596.86	\$3.57	\$6,939.87		-\$343.01	\$161.09	2.44%
Global High Yield Taxable									
2,328.814	NEUBERGER BERMAN HIGH INCOME BD FUND INSTL CL	64128K868	\$20,842.89 8.950	\$26.25	\$20,819.60 8.940		\$23.29	\$1,199.34	5.75%
711.835	PIMCO HIGH YIELD FD INSTL CL	693390841	6,506.17 9.140	35.49	6,641.42 9.330		-135.25	396.49	6.09
	Total Global High Yield Taxable		\$27,349.06	\$61.74	\$27,461.02		-\$111.96	\$1,595.83	5.83%

ND00045005

Settlement Date

Portfolio Detail

Account: 30-11-622-1361300 IM JUDITH & HENRY SAUER CHAR FDN

Oct. 01, 2014 through Dec. 31, 2014

Units	Description	CUSIP Sector (2)	Market Value(1)/ Market Price	Accrued Income	Average Unit Cost	Tax Cost/ Unit Cost	Unrealized Gain/Loss	Estimated Annual Income	Cur Yld/ YTM
Fixed Income (cont)									

Global High Yield Taxable (cont)

Total Fixed Income			\$154,758.59	\$340.68	\$150,903.94		\$3,854.65	\$4,655.08	3.00%
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Hedge Funds

Hedge Funds Specific Strategy

1,969.365	GOLDMAN SACHS ABSOLUTE RETURN TRACKER FUND CL I	38145N220	\$18,157.55 9.220	\$79.37	\$18,000.00 9.140		\$157.55	\$78.77	0.43%
2,005.742	GOLDMAN SACHS STRATEGIC INCOME FUND INSTL	38145C646	20,619.03 10.280	9.19	20,819.60 10.380		-200.57	543.56	2.63
1,780.975	HATTERAS ALPHA HEDGED STRATEGIES FUND INS SHS	41902V872	20,748.36 11.650	0.00	20,819.60 11.690		-71.24	146.04	0.70
175.507	IVY ASSET STRATEGY FUND CL I	466001864	4,517.55 25.740	0.00	4,500.00 25.640		17.55	34.05	0.75
1,742.682	PIMCO ALL ASSET ALL AUTH FUND INSTL CL	72200Q182	15,910.69 9.130	0.00	19,152.07 10.990		-3,241.38	958.48	6.02

Total Hedge Funds Specific Strategy

			\$79,953.18	\$88.56	\$83,291.27		-\$3,338.09	\$1,760.90	2.20%
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Total Hedge Funds

			\$79,953.18	\$88.56	\$83,291.27		-\$3,338.09	\$1,760.90	2.20%
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Real Estate

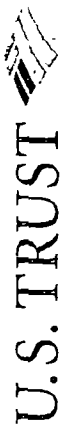
Public REITs

1,735.753	PRUDENTIAL GLOBAL REAL ESTATE FUND CL Z	744336504	\$42,473.88 24.470	\$0.00	\$39,106.51 22.530		\$3,367.37	\$916.48	2.15%
Total Public REITs			\$42,473.88	\$0.00	\$39,106.51		\$3,367.37	\$916.48	2.15%

Total Real Estate

			\$42,473.88	\$0.00	\$39,106.51		\$3,367.37	\$916.48	2.15%
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Settlement Date



Bank of America Private Wealth Management

Portfolio Detail

Account: 30-11-622-1361300 IM JUDITH & HENRY SAUER CHAR FDN

Oct. 01, 2014 through Dec. 31, 2014

Units	Description	CUSIP Sector (2)	Market Value(1)/ Market Price	Accrued Income	Average Unit Cost	Tax Cost/ Unit Cost	Unrealized Gain/Loss	Estimated Annual Income	Cur Yld/ YTM
Tangible Assets									
Commodities									
4,603.645	PIMCO COMMODITY REALRETURN STRATEGY FUND	722005667	\$20,624.33 4.480	\$0.00	\$36,675.00 7.967		-\$16,050.67	\$101.28	0.49%
	Total Commodities		\$20,624.33	\$0.00	\$36,675.00		-\$16,050.67	\$101.28	0.49%
	Total Tangible Assets		\$20,624.33	\$0.00	\$36,675.00		-\$16,050.67	\$101.28	0.49%
	Total Portfolio		\$688,869.23	\$430.39	\$640,540.47		\$48,328.76	\$11,789.40	1.71%
	Accrued Income		\$430.39						
	Total		\$689,299.62						



Bank of America Private Wealth Management

IM JUDITH HENRY SAUER CHAR FDN

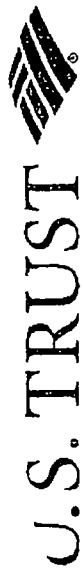
Income for 2014

This section reports your sales transactions during the year. A schedule of your net gains and losses is shown below. Please note that if you have sold an asset for which the cost basis information is unknown it is shown separately in the section entitled Transactions with Unknown Cost Basis. Please review these carefully when preparing your return. An asterisk symbol (*) next to the tax cost indicates that the tax cost has been adjusted for current year's return of capital.

The following items are provided to you to assist in the preparation of your tax returns. We have included the following Codes and Adjustment amounts: "W" for wash sales, "C" for collectibles, and "D" for Market Discount. Typically, collectibles are taxed at 28% rates. For your convenience, if applicable, we have included the portion subject to Section 988 translation gains and losses and Market Discount in the column titled "Portion Subject to 988 and Market Discount". We have also included gains on collectibles taxed at 28% rates in the last column. If we have included a dagger symbol (†) next to the sale transaction with a net loss, this indicates that you can not take a loss on your tax return based on gross proceeds from a reportable change in control or capital structure.

Long Term Transactions

DESCRIPTION	DATE SOLD OR DISPOSED	DATE ACQUIRED	UNITS	CUSIP	SYMBOL	PROCEEDS	COST OR OTHER BASIS	NET GAIN/LOSS	CODE	ADJUSTMENTS	PORTION SUBJECT TO 988 AND MARKET DISCOUNT (INCLUDED IN NET G/L)	PORTION SUBJECT TO 28% RATES (INCLUDED IN NET G/L)
ABN AMRO FDS MONTAG & CALDWELL	12/23/14	03/19/13	687.53	00078H281	MCGI X	\$21,162.25	\$17,779.57	\$3,382.68		\$0.00	\$0.00	\$0.00
COLUMBIA DIVIDEND INCOME CL Z	12/23/14	07/10/12	123.65	19765N245	GSFT X	\$2,374.12	\$1,774.41	\$599.71		\$0.00	\$0.00	\$0.00
MFS VALUE FUND	12/23/14	08/29/11	565.77	552983694	MEH X	\$10,862.68	\$7,236.14	\$3,626.54		\$0.00	\$0.00	\$0.00
	12/23/14	08/27/12	631.81			\$22,473.44	\$15,839.45	\$6,633.99		\$0.00	\$0.00	\$0.00
Total Long Term Gain/Loss						\$56,872.49	\$42,629.57	\$14,242.92		\$0.00	\$0.00	\$0.00



Bank of America Private Wealth Management

IM JUDITH HENRY SAUER CHAR FDN

Capital Gain Distributions

Date	Description	Units	Amount of gain
12/17/2014	COLUMBIA DIVIDEND INCOME CL Z	3,225	\$3,879.05
Total			\$3,879.05
12/11/2014	GOLDMAN SACHS ABSOLUTE RETURN	1,969	\$293.63
Total			\$293.63
12/12/2014	IVY ASSET STRATEGY FUND	176	\$851.00
Total			\$851.00
12/18/2014	JOHN HANCOCK FDS III	1,103	\$340.84
Total			\$340.84
01/02/2015	KALMAR GROWTH-WITH-VALUE SMALL	737	\$1,056.02
Total			\$1,056.02
12/12/2014	MFS VALUE FUND	1,612	\$1,336.09
Total			\$1,336.09
12/15/2014	METROPOLITAN WEST FDS TOTAL RETURN	3,496	\$30.17
Total			\$30.17
12/11/2014	PIMCO TOTAL RETURN FUND #35	3,827	\$321.86
Total			\$321.86
12/11/2014	PIMCO HIGH YIELD FUND #108	712	\$133.95
Total			\$133.95
12/19/2014	PRUDENTIAL JENNISON MID-CAP	472	\$1,745.11
Total			\$1,745.11
12/31/2014	TCW GALILEO FDS INC CORE	2,124	\$1,688.60
Total			\$1,688.60
12/31/2014	VICTORY SMALL CO OPPTY FUND	364	\$928.95
Total			\$928.95
Total Capital Gain Distributions			\$17,632.24
Total Capital Gain Distributions			\$17,632.24

Date	Description	Units	Amount of gain
12/31/2014	ABN AMRO FDS MONTAG & CALDWELL	900	\$4,321.00
Total			\$4,321.00
11/20/2014	ARTISAN FDS INC INTERNATIONAL	500	\$705.97
Total			\$705.97

6. Names and Addresses of all Directors of the Corporation:

Judith C. Sauer 5064 Fieldwood Drive, Houston, TX 77056 USA
Henry A. Sauer, Jr. 5064 Fieldwood Drive, Houston, TX 77056 USA
Ellen S. Helweg 421 W. Third #1002, Austin, TX 78701 USA
Elizabeth C. Sauer 4415 51 st Avenue South, Seattle, WA 98118 USA
Henry A. Sauer III 264 Primera, San Antonio, TX 78212 USA