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Form **990-PF**Department of the Treasury
Internal Revenue Service**Return of Private Foundation**

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

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Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf

OMB No 1545-0052

2015

Open to Public Inspection

For calendar year 2015 or tax year beginning

, 2015, and ending

, 20

Name of foundation

HOUSTON FAMILY FOUNDATION

Number and street (or P.O. box number if mail is not delivered to street address)

401 E 8TH ST STE 319

City or town, state or province, country, and ZIP or foreign postal code

SIOUX FALLS, SD 57103-7031

G Check all that apply

Initial return

Final return

Address change

Initial return of a former public charity

Amended return

Name change

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) \$ 6,597,097.

J Accounting method. ☒ Cash ☐ Accrual☐ Other (specify)

(Part I, column (d) must be on cash basis)

A Employer identification number

20-3853573

B Telephone number (see instructions)

605-336-6832

C If exemption application is
pending, check here. ☐D 1 Foreign organizations, check here. ☐2 Foreign organizations meeting the
85% test, check here and attach
computation ☐E If private foundation status was terminated
under section 507(b)(1)(A), check here. ☐F If the foundation is in a 60-month termination
under section 507(b)(1)(B), check here. ☐**Part I Analysis of Revenue and Expenses** (The
total of amounts in columns (b), (c), and (d)
may not necessarily equal the amounts in
column (a) (see instructions))

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received (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	146,194.	146,194.		STMT 1
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	-60,096.			
b Gross sales price for all assets on line 6a	5,065,386			
7 Capital gain net income (from Part IV, line 2)				
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 of (loss) (attach schedule)				
11 Other income (attach schedule)	107,851.	107,851.		STMT 2
12 Total. Add lines 1 through 11	193,949.	254,045.		
13 Compensation of officers, directors, trustees, etc.	136,865.	12,966.		123,899.
14 Other employee salaries and wages		NONE	NONE	
15 Pension plans, employee benefits		NONE	NONE	
16a Legal fees (attach schedule) STMT 3	5,508.	NONE	NONE	5,508.
b Accounting fees (attach schedule)				
c Other professional fees (attach schedule) STMT 4	56,433.	56,433.		
17 Interest				
18 Taxes (attach schedule) (see instructions) STMT 5	14,219.			7,095.
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings		NONE	NONE	
22 Printing and publications		NONE	NONE	
23 Other expenses (attach schedule) STMT 6	65.	10.		55.
24 Total operating and administrative expenses. Add lines 13 through 23.	213,090.	69,409.	NONE	136,557.
25 Contributions, gifts, grants paid	404,200.			404,200.
26 Total expenses and disbursements. Add lines 24 and 25	617,290.	69,409.	NONE	540,757.
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	-423,341.			
b Net investment income (if negative, enter -0-)		184,636.		
c Adjusted net income (if negative, enter -0-)				

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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 (a) Book Value	End of year (b) Book Value (c) Fair Market Value		
Assets	1	Cash - non-interest-bearing	147,857.	56,461.	56,461.
	2	Savings and temporary cash investments			
	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 ▶	NONE		
	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) . STMT 7	5,717,172.	4,610,399.	4,110,203.
	c	Investments - corporate bonds (attach schedule)			
	Liabilities	11	Investments - land, buildings, and equipment basis ▶		
		Less: accumulated depreciation ▶ (attach schedule)			
12		Investments - mortgage loans			
13		Investments - other (attach schedule) STMT 8	1,306,082.	2,142,712.	2,430,433.
14		Land, buildings, and equipment basis ▶			
		Less: accumulated depreciation ▶ (attach schedule)			
15		Other assets (describe ▶)			
16		Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)	7,171,111.	6,809,572.	6,597,097.
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)		NONE	
Net Assets or Fund Balances	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	7,171,111.	6,809,572.	
	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)	7,171,111.	6,809,572.	
31	Total liabilities and net assets/fund balances (see instructions)	7,171,111.	6,809,572.		

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	7,171,111.
2	Enter amount from Part I, line 27a	2	-423,341.
3	Other increases not included in line 2 (itemize) ▶ BOOK TO TAX ADJUSTMENTS	3	61,802.
4	Add lines 1, 2, and 3	4	6,809,572.
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	6,809,572.

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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 PUBLICLY TRADED SECURITIES					
b OTHER GAINS AND LOSSES					
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 5,115,886.		5,125,482.	-9,596.		
b -50,500.			-50,500.		
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69					
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))		
a			-9,596.		
b			-50,500.		
c					
d					
e					
2 Capital gain net income or (net capital loss)			2	-60,096.	
If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }					
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):			3		
If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8 }					

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))
2014	890,030.	7,621,031.	0.116786
2013	438,891.	8,172,408.	0.053704
2012	447,451.	8,484,656.	0.052736
2011	407,941.	8,994,206.	0.045356
2010	439,232.	8,696,328.	0.050508
2 Total of line 1, column (d)			2 0.319090
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 0.063818
4 Enter the net value of noncharitable-use assets for 2015 from Part X, line 5			4 6,923,055.
5 Multiply line 4 by line 3			5 441,816.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 1,846.
7 Add lines 5 and 6			7 443,662.
8 Enter qualifying distributions from Part XII, line 4			8 540,757.

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)

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)		1	1,846.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b			
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	1,846.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	NONE
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	1,846.
6 Credits/Payments.			
a 2015 estimated tax payments and 2014 overpayment credited to 2015	6a	3,000.	
b Exempt foreign organizations - tax withheld at source	6b	NONE	
c Tax paid with application for extension of time to file (Form 8868)	6c	NONE	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	3,000.	
8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	1.	
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	1,153.	
11 Enter the amount of line 10 to be Credited to 2016 estimated tax ☒ 1,153. 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?		X
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		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ☒ \$ _____ (2) On foundation managers ☒ \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ☒ \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		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		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ☒ WA		
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	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 2015 or the taxable year beginning in 2015 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

Part VII-A Statements Regarding Activities (continued)

	Yes	No
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).		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).		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>N/A</u>	X	
14 The books are in care of <u>SEE STATEMENT 10</u> Telephone no. <u></u> Located at <u></u> ZIP+4 <u></u>		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <u></u> and enter the amount of tax-exempt interest received or accrued during the year. <u>15</u>		
16 At any time during calendar year 2015, 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? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country <u></u>		X

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)? Organizations relying on a current notice regarding disaster assistance check here <u></u>	1b	X
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 2015?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2015, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2015? If "Yes," list the years <u></u> ☐ Yes ☒ No		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)	2b	X
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></u>		
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 2015 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 2015.)	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2015?	4b	X

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

- 5a** During the year did the foundation pay or incur any amount to
- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 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

X

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 STATEMENT 11		136,865.		

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		NONE	NONE	NONE

Total number of other employees paid over \$50,000 ☐ NONE

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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		NONE
Total number of others receiving over \$50,000 for professional services		NONE

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

Expenses

1 NONE

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 NONE

Total. Add lines 1 through 3

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	6,921,485.
b	Average of monthly cash balances	1b	106,997.
c	Fair market value of all other assets (see instructions).	1c	NONE
d	Total (add lines 1a, b, and c)	1d	7,028,482.
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	NONE
3	Subtract line 2 from line 1d	3	7,028,482.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	105,427.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	6,923,055.
6	Minimum investment return. Enter 5% of line 5	6	346,153.

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	346,153.
2a	Tax on investment income for 2015 from Part VI, line 5	2a	1,846.
b	Income tax for 2015. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	1,846.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	344,307.
4	Recoveries of amounts treated as qualifying distributions	4	NONE
5	Add lines 3 and 4	5	344,307.
6	Deduction from distributable amount (see instructions).	6	NONE
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	344,307.

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	540,757.
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	NONE
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	540,757.
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	1,846.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	538,911.

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 2014	(c) 2014	(d) 2015
1 Distributable amount for 2015 from Part XI, line 7				344,307.
2 Undistributed income, if any, as of the end of 2015				
a Enter amount for 2014 only.			NONE	
b Total for prior years 20 <u>13</u> , 20 <u> </u> , 20 <u> </u>		NONE		
3 Excess distributions carryover, if any, to 2015				
a From 2010	NONE			
b From 2011	NONE			
c From 2012	NONE			
d From 2013	NONE			
e From 2014	171,457.			
f Total of lines 3a through e	171,457.			
4 Qualifying distributions for 2015 from Part XII, line 4 ▶ \$ <u>540,757.</u>				
a Applied to 2014, but not more than line 2a			NONE	
b Applied to undistributed income of prior years (Election required - see instructions)		NONE		
c Treated as distributions out of corpus (Election required - see instructions)	NONE			
d Applied to 2015 distributable amount.				344,307.
e Remaining amount distributed out of corpus.	196,450.			
5 Excess distributions carryover applied to 2015 . (If an amount appears in column (d), the same amount must be shown in column (a))	NONE			NONE
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	367,907.			
b Prior years' undistributed income. Subtract line 4b from line 2b.		NONE		
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		NONE		
d Subtract line 6c from line 6b. Taxable amount - see instructions		NONE		
e Undistributed income for 2014. Subtract line 4a from line 2a. Taxable amount - see instructions			NONE	
f Undistributed income for 2015. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2016.				NONE
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)	NONE			
8 Excess distributions carryover from 2010 not applied on line 5 or line 7 (see instructions)	NONE			
9 Excess distributions carryover to 2016. Subtract lines 7 and 8 from line 6a	367,907.			
10 Analysis of line 9				
a Excess from 2011	NONE			
b Excess from 2012	NONE			
c Excess from 2013	NONE			
d Excess from 2014	171,457.			
e Excess from 2015	196,450.			

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				
LUMPYS FOUNDATION 72769 DINAH SHORE DR RANCHO MIRAGE CA 92270	N/A	PC	GENERAL OPERATING FUND	25,000.
McCallum Theatre Foundation Inc 73000 FRED WARING DR Palm Desert CA 92260	N/A	SO 1	GENERAL OPERATING FUND	25,000.
Jewish Family Service of the Desert 801 E TAHQUITZ CYN WY 202 Palm Springs CA 92	N/A	PC	GENERAL OPERATING FUND	25,000.
Palm Springs Air Museum Inc 745 N GENE AUTRY TRL Palm Springs CA 92262	N/A	PC	GENERAL OPERATING FUND	25,000.
Friends of Simon Fraser University 1015 DUPONT ST Bellingham WA 98225	N/A	PC	GENERAL OPERATING FUND	25,000.
VA Palo Alto Health Care System 3801 MIRANDA AVENUE Palo Alto CA 94304	N/A	NC	GENERAL FUND	25,000.
Pegasus Riding Academy For The Handicapped 35-450 B PEGASUS COURT Palm Desert CA 92211	N/A	PC	GENERAL OPERATING FUND	13,200.
Boys & Girls Club of Coachella Valley 42600 COOK STREET, SUITE 120 Palm Deset CA 9	N/A	PC	GENERAL FUND	25,000.
Eisenhower Medical Center 39000 BOB HOPE DRIVE Rancho Mirage CA 92270	N/A	PC	GENERAL OPERATING FUND	191,000.
CHP 11 99 Foundation 2244 N STATE COLLEGE BLVD Fullerton CA 92831	N/A	PC	GENERAL FUND	25,000.
Total 3a				404,200.
b Approved for future payment				
Total 3b				

Enter gross amounts unless otherwise indicated.

(See worksheet in line 13 instructions to verify calculations)

Line No.	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). (See instructions.)
▼	

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FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
-----	-----	-----
SALIENT MLP TOTAL RETURN FUND, LP	1,167.	1,167.
WHG INCOME OPPORTUNITY-INST	2,772.	2,772.
BLACKROCK TOTAL INTL EX-US IDX-INST	37,880.	37,880.
PACIFIC DIVERSIFIED STRATEGIES, LLC	6.	6.
CRESCENT CAPITAL HIGH INCOME FUND LP	31,862.	31,862.
LEGG MASON BW GLOBAL OP BD-I	5,507.	5,507.
PIMCO LOW DURATION FUND	9,484.	9,484.
PIMCO TOTAL RETURN FUND-INST	10,486.	10,486.
PIMCO COMMODITY RR STRAT-INS	4,338.	4,338.
SEI DAILY INC TR GOVT II-A	16.	16.
TEMPLETON GLOBAL BOND FUND-AD	16,989.	16,989.
VANGUARD RUSSELL 3000	25,687.	25,687.
	-----	-----
TOTAL	146,194.	146,194.
	=====	=====

FORM 990PF, PART I - OTHER INCOME
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----
SALIENT MLP TOTAL RETURN FUND, LP	424.	424.
PACIFIC DIVERSIFIED STRATEGIES, LLC	106,729.	106,729.
CRESCENT CAPITAL HIGH INCOME FUND LP	698.	698.
	-----	-----
TOTALS	107,851.	107,851.
	=====	=====

FORM 990PF, PART I - LEGAL FEES
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
LEGAL FEES	5,508.			5,508.
TOTALS	5,508.	NONE	NONE	5,508.

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----
INVESTMENT MANAGEMENT FEES	35,416.	35,416.
INVESTMENT EXPENSES	21,017.	21,017.
	-----	-----
TOTALS	56,433.	56,433.
	=====	=====

FORM 990PF, PART I - TAXES
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	CHARITABLE PURPOSES -----
FEDERAL TAX PAYMENT	783.	
FEDERAL ESTIMATES	3,000.	
PAYROLL TAXES	7,095.	7,095.
FOREIGN TAXES	3,341.	
	-----	-----
TOTALS	14,219.	7,095.
	=====	=====

HOUSTON FAMILY FOUNDATION

20-3853573

FORM 990PF, PART I - OTHER EXPENSES
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	CHARITABLE PURPOSES -----
STATE RE-REGISTRATION FEE	25.		25.
BANK FEE	40.	10.	30.
TOTALS	----- 65.	----- 10.	----- 55.
	=====	=====	=====

20-3853573

HOUSTON FAMILY FOUNDATION

FORM 990PF, PART II - CORPORATE STOCK
=====

DESCRIPTION -----	ENDING BOOK VALUE -----	ENDING FMV ---
PIMCO TOTAL RETURN FUND-INST	154,302.	145,075.
PIMCO LOW DURATION FUND	129,703.	125,247.
LEGG MASON BW GLOBAL OP BD-I	132,573.	119,795.
TEMPLETON GLOBAL BOND FUND-AD	135,852.	120,121.
CRESCENT CAPITAL HIGH INCOME F	75,489.	86,855.
PIMCO COMMODITY RR STRATEGY	112,420.	81,702.
VANGUARD RUSSELL 3000	1,840,060.	1,751,537.
BLACKROCK TOTAL INTL EX-US IDX	2,030,000.	1,679,871.
	-----	-----
TOTALS	4,610,399.	4,110,203.
	=====	=====

HOUSTON FAMILY FOUNDATION

20-3853573

FORM 990PF, PART II - OTHER INVESTMENTS
=====

DESCRIPTION -----	COST/ FMV C OR F -----	ENDING BOOK VALUE -----	ENDING FMV ---
PACIFIC DIVERSIFIED STRATEGIES	C	809,685.	1,100,433.
SALIENT MLP TOTAL RETURN FUND,	C	263,027.	260,000.
MAVERICK STABLE FUND LTD	C	1,070,000.	1,070,000.
		-----	-----
TOTALS		2,142,712.	2,430,433.
		=====	=====

GAINS AND LOSSES FROM PASS-THRU ENTITIES

=====

NET SHORT-TERM GAIN (LOSS) FROM PARTNERSHIPS, S CORPORATIONS
AND OTHER FIDUCIARIES

PARTNERSHIPS, TRUSTS, S CORPORATIONS

-4,475.00

TOTAL NET SHORT-TERM GAIN OR LOSS (ROUNDED)

-4,475.00

=====

NET LONG-TERM GAIN (LOSS) FROM PARTNERSHIPS, S CORPORATIONS
AND OTHER FIDUCIARIES

PARTNERSHIPS, TRUSTS, S CORPORATIONS

-46,025.00

TOTAL NET LONG-TERM GAIN OR LOSS (ROUNDED)

-46,025.00

=====

HOUSTON FAMILY FOUNDATION

20-3853573

FORM 990PF, PART VII-A, LINE 14 - BOOKS ARE IN THE CARE OF
=====

NAME: DORSEY & WHITNEY TRUST COMPANY LLC

ADDRESS: 401 EAST 8TH STREET, SUITE 319
SIOUX FALLS, SD 57103

TELEPHONE NUMBER: (605) 336-6832

STATEMENT 10

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FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

=====

OFFICER NAME:

DAVID N RENNIE

ADDRESS:

999 WEST HASTINGS STREET SUITE 1780

VANCOUVER,

TITLE:

TRUSTEE

AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 1

OFFICER NAME:

RICHARD FORDIANI

ADDRESS:

1547 PALOS VERDES MALL, #320

WALNUT CREEK, CA 94597

TITLE:

TRUSTEE

AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 1

COMPENSATION 2,500.

OFFICER NAME:

THEODORE GIATAS

ADDRESS:

44226 INDIAN CANYON LANE

PALM DESERT, CA 92260

TITLE:

TRUSTEE

AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 1

COMPENSATION 2,500.

OFFICER NAME:

DORSEY & WHITNEY TRUST COMPANY LLC

ADDRESS:

401 EAST 8TH STREET, SUITE 319

SIOUX FALLS, SD 57103

TITLE:

TRUSTEE

AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 5

COMPENSATION 41,865.

HOUSTON FAMILY FOUNDATION

20-3853573

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES
=====

OFFICER NAME:

JAMES R HOUSTON II

ADDRESS:

64950 JACKSON STREET

THERMAL, CA 92274

TITLE:

EXECUTIVE DIRECTOR/PRESIDENT

AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 40

COMPENSATION 90,000.

TOTAL COMPENSATION:

136,865.

=====

STATEMENT 12

**SCHEDULE D
(Form 1041)**

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1041, Form 5227, or Form 990-T.

▶ Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9 and 10.

▶ Information about Schedule D and its separate instructions is at www.irs.gov/form1041

OMB No. 1545-0092

2015

Name of estate or trust

HOUSTON FAMILY FOUNDATION

Employer identification number

20-3853573

Note: Form 5227 filers need to complete only Parts I and II.

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
1a Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b.				
1b Totals for all transactions reported on Form(s) 8949 with Box A checked				
2 Totals for all transactions reported on Form(s) 8949 with Box B checked				
3 Totals for all transactions reported on Form(s) 8949 with Box C checked	889,511.	895,879.		-6,368.
4 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824				
5 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts				-4,475.
6 Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2014 Capital Loss Carryover Worksheet				()
7 Net short-term capital gain or (loss). Combine lines 1a through 6 in column (h). Enter here and on line 17, column (3) on the back ▶				-10,843.

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
8a Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b.				
8b Totals for all transactions reported on Form(s) 8949 with Box D checked				
9 Totals for all transactions reported on Form(s) 8949 with Box E checked				
10 Totals for all transactions reported on Form(s) 8949 with Box F checked	4,201,058.	4,229,603.		-28,545.
11 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824				
12 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts				-46,025.
13 Capital gain distributions.				25,317.
14 Gain from Form 4797, Part I.				
15 Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2014 Capital Loss Carryover Worksheet				()
16 Net long-term capital gain or (loss). Combine lines 8a through 15 in column (h). Enter here and on line 18a, column (3) on the back ▶				-49,253.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D (Form 1041) 2015

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Part III Summary of Parts I and II**Caution:** Read the instructions before completing this part.

		(1) Beneficiaries' (see instr.)	(2) Estate's or trust's	(3) Total
17	Net short-term gain or (loss).	17		-10,843.
18	Net long-term gain or (loss):			
a	Total for year	18a		-49,253.
b	Unrecaptured section 1250 gain (see line 18 of the wrkst.)	18b		
c	28% rate gain	18c		
19	Total net gain or (loss). Combine lines 17 and 18a. ▶	19		-60,096.

Note: If line 19, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 18a and 19, column (2), are net gains, go to Part V, and do not complete Part IV. If line 19, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet**, as necessary.

Part IV Capital Loss Limitation

20	Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the smaller of:	20	(3,000)
a	The loss on line 19, column (3) or b \$3,000		

Note: If the loss on line 19, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the **Capital Loss Carryover Worksheet** in the instructions to figure your capital loss carryover.

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part only if both lines 18a and 19 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero.

Caution: Skip this part and complete the **Schedule D Tax Worksheet** in the instructions if:

- Either line 18b, col. (2) or line 18c, col. (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero.

Form 990-T trusts. Complete this part only if both lines 18a and 19 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero. Skip this part and complete the **Schedule D Tax Worksheet** in the instructions if either line 18b, col. (2) or line 18c, col. (2) is more than zero.

21	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34). . .	21			
22	Enter the smaller of line 18a or 19 in column (2) but not less than zero.	22			
23	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T). . .	23			
24	Add lines 22 and 23	24			
25	If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0-. . . ▶	25			
26	Subtract line 25 from line 24. If zero or less, enter -0-.	26			
27	Subtract line 26 from line 21. If zero or less, enter -0-.	27			
28	Enter the smaller of the amount on line 21 or \$2,500	28			
29	Enter the smaller of the amount on line 27 or line 28	29			
30	Subtract line 29 from line 28. If zero or less, enter -0-. This amount is taxed at 0% ▶	30			
31	Enter the smaller of line 21 or line 26	31			
32	Subtract line 30 from line 26.	32			
33	Enter the smaller of line 21 or \$12,300	33			
34	Add lines 27 and 30	34			
35	Subtract line 34 from line 33. If zero or less, enter -0-.	35			
36	Enter the smaller of line 32 or line 35	36			
37	Multiply line 36 by 15%. ▶	37			
38	Enter the amount from line 31	38			
39	Add lines 30 and 36	39			
40	Subtract line 39 from line 38. If zero or less, enter -0-.	40			
41	Multiply line 40 by 20% ▶	41			
42	Figure the tax on the amount on line 27. Use the 2015 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041). . . .	42			
43	Add lines 37, 41, and 42	43			
44	Figure the tax on the amount on line 21. Use the 2015 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041). . . .	44			
45	Tax on all taxable income. Enter the smaller of line 43 or line 44 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36). ▶	45			

Schedule D (Form 1041) 2015