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

Department of the Treasury
Internal Revenue Service

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Open to Public Inspection

For calendar year 2015 or tax year beginning , 2015, **and ending** , 20

Name of foundation THE ZACHRY FOUNDATION		A Employer identification number 74-1485544
Number and street (or P O box number if mail is not delivered to street address) 2330 NORTH LOOP 1604 WEST	Room/suite	B Telephone number (see instructions) 210-258-2100
City or town, state or province, country, and ZIP or foreign postal code SAN ANTONIO, TX 78248-4512		C If exemption application is pending, check here ▶ <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here ▶ <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation ▶ <input type="checkbox"/>
H Check type of organization: <input 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		E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ 8,328,527	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ <i>(Part I, column (d) must be on cash basis.)</i>	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ <input type="checkbox"/>

Part I Analysis of Revenue and Expenses <i>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))</i>		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	161,613	161,613		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	297,186			
	b Gross sales price for all assets on line 6a 3,165,153				
	7 Capital gain net income (from Part IV, line 2)		297,186		
	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 or (loss) (attach schedule)					
11 Other income (attach schedule)	295,812	(25,073)			
12 Total. Add lines 1 through 11	754,211	433,326			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	36,000	9,000		27,000
	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)	55,345	55,345		
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	32,148	2,083		2,065
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	5,120?	3,940		1,280
	24 Total operating and administrative expenses. Add lines 13 through 23	128,613	70,268		30,395
	25 Contributions, gifts, grants paid	1,248,000			1,248,000
26 Total expenses and disbursements. Add lines 24 and 25	1,376,613	70,268		1,278,345	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	(622,402)				
b Net investment income (if negative, enter -0-)		363,058			
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	75,756	75,987	75,987
	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 ▶			
	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)	8,436,948	7,151,535	7,164,191
	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)	740,624	1,088,399	1,088,399
	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 1)	9,253,322	8,315,921	8,328,527	
Liabilities	17	Accounts payable and accrued expenses	2,202	2,202	
	18	Grants payable	490,000	165,000	
	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)	492,202	167,202		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input type="checkbox"/>				
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	8,771,120	8,148,719	
30	Total net assets or fund balances (see instructions)	8,771,120	8,148,719		
31	Total liabilities and net assets/fund balances (see instructions)	9,253,322	8,315,921		

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	8,771,120
2	Enter amount from Part I, line 27a	2	(622,402)
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	8,148,719
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	8,148,719

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				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a				
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(f) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a				
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8			3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No
 If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2014	1,258,858	7,889,875	159554
2013	2,091,835	8,811,020	239412
2012	1,546,803	8,553,142	180846
2011	2,032,310	8,373,733	242701
2010	2,073,290	12,671,798	163615

2 Total of line 1, column (d)	2	984128
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	196826
4 Enter the net value of noncharitable-use assets for 2015 from Part X, line 5	4	7,880,386
5 Multiply line 4 by line 3	5	1,553,033
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	3,631
7 Add lines 5 and 6	7	1,556,664
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	1,278,345

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 <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> 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	7,261	00
3	Add lines 1 and 2	3	7,261	00
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	7,261	00
6	Credits/Payments:			
a	2015 estimated tax payments and 2014 overpayment credited to 2015	6a	22,111	00
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	22,111	00
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	14,850	00
11	Enter the amount of line 10 to be: Credited to 2016 estimated tax 14,850 00 Refunded	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a		✓
1b		✓
<i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>		
1c		✓
d		
e		
2		✓
3		✓
4a		✓
4b		
5		✓
6	✓	
7	✓	
8a		
8b	✓	
9		✓
10		✓

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)		✓
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)		✓
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ ZACHRYFOUNDATION.ORG	✓	
14 The books are in care of ▶ GONZALO ORNELAS SEC/TREAS Telephone no ▶ 210-258-2100 Located at ▶ 2330 NORTH LOOK 1604 WEST SAN ANTONIO, TX ZIP+4 ▶ 78248-4512		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the year ▶ 15		<input type="checkbox"/>
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 ▶	16	✓

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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>	1b	
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2015?	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 2015, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2015? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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? <input type="checkbox"/> Yes <input type="checkbox"/> 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	✓
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	✓

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

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

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
.....		
.....		
.....		
.....		
.....		

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	
.....	
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 ▶

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	8,149,772
b	Average of monthly cash balances	1b	77,066
c	Fair market value of all other assets (see instructions)	1c	829,548
d	Total (add lines 1a, b, and c)	1d	9,055,386
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	9,055,386
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	1,165,000
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	7,890,386
6	Minimum investment return. Enter 5% of line 5	6	394,519

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	394,519
2a	Tax on investment income for 2015 from Part VI, line 5	2a	7,261
b	Income tax for 2015. (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	7,261
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	387,258
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	387,258
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	387,253

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	1,278,345
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	1,278,345
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	1,278,345

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				
2 Undistributed income, if any, as of the end of 2015:				
a Enter amount for 2014 only				
b Total for prior years: 20____,20____,20____				
3 Excess distributions carryover, if any, to 2015:				
a From 2010 2,073,290				
b From 2011 2,032,310				
c From 2012 1,546,803				
d From 2013 2,098,512				
e From 2014 1,258,858				
f Total of lines 3a through e	9,009,774			
4 Qualifying distributions for 2015 from Part XII, line 4: ▶ \$ _____				
a Applied to 2014, 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 2015 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2015 (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				
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 2014. Subtract line 4a from line 2a. Taxable amount—see instructions				
f Undistributed income for 2015. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2016				
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 2010 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2016. Subtract lines 7 and 8 from line 6a	8,214,729			
10 Analysis of line 9:				
a Excess from 2011 2,032,310				
b Excess from 2012 1,546,803				
c Excess from 2013 2,098,513				
d Excess from 2014 1,258,858				
e Excess from 2015 1,278,245				

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 2015, 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)

	Tax year				(e) Total
	(a) 2015	(b) 2014	(c) 2013	(d) 2012	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
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 address of the person to whom applications should be addressed:

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

c Any submission deadlines:

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

Part XV **Supplementary Information** *(continued)*

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient 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 <i>Paid during the year</i>				
YOUTH ORCHESTRAS OF SAN ANTONIO				15,000
SAN ANTONIO PUBLIC LIBRARY FOUNDATION				25,000
SYMPHONIC SOCIETY OF SAN ANTONIO				100,000
GOOD SAMARITAN COMMUNITY SERVICES				15,000
VANDERBILT UNIVERSITY				50,000
SAN ANTONIO BOTANTICAL GARDEN				25,000
ST LEO THE GREAT CATHOLIC SCHOOL				18,600
UNIVERSITY OF TEXAS AT SAN ANTONIO MEDICAL SCHOOL				1,000,000
Total ▶				3a 1,248,000
b <i>Approved for future payment</i>				
Total ▶				3b 1,248,000

Schedules' - Form 990PF
The Zachry Foundation
Calendar Year 2015

Part Balance Sheets Line - 10B - Corporate Stocks

	1/1/2015	12/31/2015	
	<u>Cost</u>	<u>Cost</u>	<u>Market</u>
Cash	75,756	75,987	75,987
<u>Investments</u>			
Fixed Income			
Frost National Bank	3,279,694	2,790,466	2,611,903
Alternatives:			
PIMCO	321,043		
Forward Tactical Growth	281,593	225,958	218,322
FPA Crescent	-	176,596	160,864
MFS Global Alternative	-	192,958	189,479
Mainstay Marketfield	259,475		
Total Alternative	862,111	595,512	568,665
Equities			
Southern Sun	553,734	512,441	510,209
Diamond Hill	445,336	361,688	468,083
Cambriar	704		
Westend Advisors	871,116	764,981	948,702
Loomis	532,794	445,352	548,780
Harbor International	815,048	708,588	583,191
Oppenheimer Developing Market	153,198	227,279	181,065
S&P 500 Index	889,397	725,901	724,216
Total Equities	4,261,327	3,746,230	3,964,246
Cash - Morgan Stanley	33,811	19,327	19,327
Total - Marketable Securities	8,436,943	7,151,535	7,164,141
Other Investments			
InCube Ventures	740,624	1,088,399	1,088,399

Schedule - Form 990PF
 Zachry Foundation
 Calendar Year 2015

Schedule Capital Gains (Losses)	Date		sales		Gain (Loss)
	Acquired	Sold	Proceeds	Cost	
Long Term					
Frost Bank Trust	various	various	1,079,007.35	1,088,855.03	(9,847.68)
PIMCO	various	various	241,651.26	307,815.51	(66,164.25)
Harbor International	various	various	44,000.00	52,763.88	(8,763.88)
Mainstay Marketfield	various	various	231,513.16	259,474.91	(27,961.75)
Southern Sun	various	various	170,000.00	98,815.04	71,184.96
Diamond Hill	various	various	140,000.00	92,658.17	47,341.83
Forward Tactical	various	various	55,000.00	56,733.76	(1,733.76)
Westwind Advisors	various	various	368,862.35	248,571.43	120,290.92
Loomis	various	various	234,384.16	172,186.01	62,198.15
			<u>2,564,418.28</u>	<u>2,377,873.74</u>	<u>186,544.54</u>
Short Term					
PIMCO	various	various	14,346.39	15,945.49	(1,599.10)
FPA Crescent	various	various	32,000.00	33,076.47	(1,076.47)
Harbor International	various	various	75,000.00	80,405.88	(5,405.88)
MFS Global Alternative	various	various	14,000.00	14,203.69	(203.69)
Oppenheimer Developing Ma	various	various	13,000.00	17,261.62	(4,261.62)
S&P 500 Index	various	various	176,080.81	175,619.91	460.90
Westwind Advisors	various	various	60,074.86	75,642.03	(15,567.17)
Loomis	various	various	72,278.85	77,937.93	(5,659.08)
			<u>456,780.91</u>	<u>490,093.02</u>	<u>(33,312.11)</u>
Capital Gain Distribution - Short Term			805.32		805.32
Capital Gain Distribution - Long Term			100,493.63		100,493.63
Capital Gain - Inn Cube			42,655.00		42,655.00
Total			<u><u>3,165,153.14</u></u>	<u><u>2,867,966.76</u></u>	<u><u>297,186.38</u></u>

Schedules - Form 990PF
The Zachry Foundation
Calendar Year 2015

Part Balance Sheets Line - 10B - Corporate Stocks

	1/1/2015	12/31/2015	
	<u>Cost</u>	<u>Cost</u>	<u>Market</u>
Cash	75,756	75,987	75,987
<u>Investments</u>			
Fixed Income			
Frost National Bank	3,279,694	2,790,466	2,611,903
Alternatives:			
PIMCO	321,043		
Forward Tactical Growth	281,593	225,958	218,322
FPA Crescent	-	176,596	160,864
MFS Global Alternative	-	192,958	189,479
Mainstay Marketfield	259,475		
Total Alternative	862,111	595,512	568,665
Equities			
Southern Sun	553,734	512,441	510,209
Diamond Hill	445,336	361,688	468,083
Cambriar	704		
Westend Advisors	871,116	764,981	948,702
Loomis	532,794	445,352	548,780
Harbor International	815,048	708,588	583,191
Oppenheimer Developing Market	153,198	227,279	181,065
S&P 500 Index	889,397	725,901	724,216
Total Equities	4,261,327	3,746,230	3,964,246
Cash - Morgan Stanley	33,811	19,327	19,327
Total - Marketable Securities	8,436,943	7,151,535	7,164,141
Other Investments			
InCube Ventures	740,624	1,088,399	1,088,399

Schedules - Form 990PF
The Zachry Foundation
Calendar Year 2015

	Interest	Dividends	Foreign Taxes	Capital Gain Distributions	
				Short Term	Long Term
Frost Bank Trust		98,707.39		805.32	12,054.49
PIMCO		2,717.99			
Southern Sun		607.43			56,914.30
Diamond Hill		3,513.81			5,496.48
FPA Crescent		1,462.89			8,210.20
Harbor International		10,907.31	788.95		16,591.68
Global Alternative		2,161.32			
Oppenheimer Developing		1,628.98	286.13		
S&P 500 Index Fund		16,776.99			
Forward Tactical Growth					1,098.94
Westend Advisors	3.23	15,667.34			
Loomis		6,464.41			127.54
Morgan Stanley	28.60	0.39			
	31.83	160,616.25	1,075.08	805.32	100,493.63
Inn Cube Ventures	768.00				42,655.00
Bank of America	196.47				
	996.30	160,616.25	1,075.08	805.32	143,148.63

Schedule - Form 990PF
 Zachry Foundation
 Calendar Year 2015
 Part I Analysis of Expenses

	Revenue and expenses per books (a)	Net Investment Income (b)	Adjusted net income (c)	Disbursements for charitable purposes (cash basis only) (d)
Line 11- other income				
InCube:				
Valuation adjustment		320,885		
Operating loss		(25,073)	(25,073)	
	-	295,812	(25,073)	-
Line 16(c) other professional fees				
Frost Bank	27	27		
Loomis	4,573	4,573		
Westend	7,529	7,529		
Morgan Stanley	15,984	15,984		
InCube	27,232	27,232		
	55,345	55,345	-	-
Line 18 - taxes				
Payroll taxes	2,754	689		2,065
Property taxes	319	319		
Federal excise tax	28,000			
Foreign taxes - Opp	286	286		
Harbor	789	789		
	32,148	2,083	-	2,065

Schedule - Form 990PF

Zachry Foundation

Calendar Year 2015

Part X - Minimum Investment Return -

	(a)	(b)	(c)	(d)
	Marketable	Cash	Other	Total
	Securities		Investments	
January	8,933,564	71,067	740,624	9,745,255
February	9,299,749	68,580	740,624	10,108,953
March	8,170,175	66,084	840,624	9,076,883
April	8,188,417	63,918	840,624	9,092,959
May	8,259,114	28,366	840,624	9,128,104
June	8,167,163	25,874	840,624	9,033,661
July	8,105,750	21,185	840,624	8,967,559
August	7,758,981	18,697	840,624	8,618,302
September	9,070,102	80,942	776,396	9,927,440
October	7,366,834	322,916	776,396	8,466,146
November	7,313,278	81,174	776,396	8,170,848
December	7,164,141	75,987	1,088,399	8,328,527
Total	97,797,268	924,790	9,942,579	108,664,637
Average	8,149,772	77,066	828,548	9,055,386

Schedule - Form 990PF
Zachry Foundation
Calendar Year 2015
Part VIII Officers, Directors and Trustees

1. List of officers, directors, trustees, managers and their compensation

Name and Address (a)	Title and average hours per week devoted to position (b)	Compensation (c)
James P Zachry	President and Trustee	-
H B. Zachry Jr	Vice President and Trustee	-
Mollie Zachry	Trustee	-
Ann Zachry Rochelle	Executive Director, Vice President, Trustee 30 hours/week	36,000
Ellen Zachry Carrie	Trustee	-
Cathy Obriotti Green	Trustee	-
Charles Ebrom	Vice President and Trustee	-
Gonzalo Ornelas	Secretary, Treasurer, Trustee	-

address for all
2330 North Loop 1604 West
San Antonio, Texas 78248-4512