Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

▶ 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.*

OMB No 1545-0052

2016

Open to Public Inspection

For calendar year 2016 or tax year beginning , and ending

Name of foundation: THE MARY H. CAIN FOUNDATION

A Employer identification number: 20-8483925

Number and street (or P O box number if mail is not delivered to street address): 8 GREENWAY PLAZA — Room/suite: 606

B Telephone number: (713)840-7896

City or town, state or province, country, and ZIP or foreign postal code: HOUSTON, TX 77046

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 ▶ ☐

H Check type of organization: [X] Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶$ 17,777,753.

J Accounting method: [X] Cash ☐ Accrual ☐ Other (specify) (Part I, column (d) must be on cash basis)

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))

		(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				
	2 Check ▶ [X] if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	294,769.	292,305.		STATEMENT 1
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	329,832.			
	b Gross sales price for all assets on line 6a 15,506,059.				
	7 Capital gain net income (from Part IV, line 2)		329,832.		
	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)				
	11 Other income	909.	0.	0.	STATEMENT 2
	12 **Total** Add lines 1 through 11	625,510.	622,137.	0.	
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.	0.	0.
	14 Other employee salaries and wages	11,312.	11,312.	0.	0.
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees STMT 3	22,503.	22,503.	0.	0.
	c Other professional fees				
	17 Interest	4.	4.	0.	0.
	18 Taxes STMT 4	20,555.	1,330.	0.	0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 5	55,297.	55,297.	0.	0.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	109,671.	90,446.	0.	0.
	25 Contributions, gifts, grants paid	889,000.			889,000.
	26 **Total expenses and disbursements** Add lines 24 and 25	998,671.	90,446.	0.	889,000.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	-373,161.			
	b **Net investment income** (if negative, enter -0-)		531,691.		
	c **Adjusted net income** (if negative enter -0-)			0.	

RECEIVED
MAY 22 2017
OGDEN, UT
IRS-OSC

SCANNED MAY 24 2017

623501 11-23-16 LHA **For Paperwork Reduction Act Notice, see instructions.** Form **990-PF** (2016)

Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only

		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	1,671,207.	688,323.	688,323.
	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			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	14,320.	15,720.	15,720.
	10a Investments - U.S. and state government obligations STMT 6	1,287,016.	1,400,196.	1,416,472.
	b Investments - corporate stock STMT 7	8,514,090.	9,031,591.	14,387,752.
	c Investments - corporate bonds STMT 8	847,792.	918,298.	933,631.
	11 Investments - land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 9	362,273.	266,071.	335,855.
	14 Land, buildings, and equipment: basis ▶ 750.			
	Less accumulated depreciation ▶ 750.			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)	12,696,698.	12,320,199.	17,777,753.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶ STATEMENT 10)	378.	388.	
	23 Total liabilities (add lines 17 through 22)	378.	388.	
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	11,970,454.	11,970,454.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	725,866.	349,357.	
	30 Total net assets or fund balances	12,696,320.	12,319,811.	
	31 Total liabilities and net assets/fund balances	12,696,698.	12,320,199.	

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	12,696,320.
2 Enter amount from Part I, line 27a	2	-373,161.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	12,323,159.
5 Decreases not included in line 2 (itemize) ▶ BASIS ADJUSTMENTS	5	3,348.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	12,319,811.

Form **990-PF** (2016)

623511 11-23-16

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	P	VARIOUS	VARIOUS
b	ENERGY TRANSFER EQUITY, LP	P	12/11/07	11/07/16
c	PTP BASIS ADJUSTMENTS	P	12/11/07	11/07/16
d	CAPITAL GAINS DIVIDENDS			
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	15,504,136.		15,176,227.	327,909.
b	14.			14.
c	1,104.			1,104.
d	805.			805.
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				327,909.
b				14.
c				1,104.
d				805.
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	329,832.
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); If (loss), enter -0- in Part I, line 8		3	0.

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part.

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2015	914,406.	18,208,009.	.050220
2014	741,100.	17,851,469.	.041515
2013	704,112.	16,051,593.	.043866
2012	711,331.	14,606,171.	.048701
2011	657,753.	14,625,514.	.044973

2 **Total** of line 1, column (d)	2	.229275
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	.045855
4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	17,497,608.
5 Multiply line 4 by line 3	5	802,353.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	5,317.
7 Add lines 5 and 6	7	807,670.
8 Enter qualifying distributions from Part XII, line 4	8	889,000.

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)**			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ [X] and enter 1% of Part I, line 27b		1	5,317.
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	0.
3 Add lines 1 and 2		3	5,317.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 **Tax based on investment income** Subtract line 4 from line 3 If zero or less, enter -0-		5	5,317.
6 Credits/Payments			
a 2016 estimated tax payments and 2015 overpayment credited to 2016	6a 15,720.		
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	15,720.
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	
10 **Overpayment** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	10,403.
11 Enter the amount of line 10 to be. **Credited to 2017 estimated tax** ▶	10,403. **Refunded** ▶	11	0.

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?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)?	1b		X
*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities*			
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ 0. **(2)** On foundation managers. ▶ $ 0.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities*	2		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7 Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ TX			
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*	8b	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 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

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)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ CAIN FAMILY OFFICE Telephone no ▶ 713-840-7896

Located at ▶ 8 GREENWAY PLAZA, SUITE 606, HOUSTON, TX ZIP+4 ▶ 77046

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 N/A

			Yes	No
16	At any time during calendar year 2016, 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		X
	See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ▶			

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

			Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
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)? N/A	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 2016?	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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? ☐ Yes ☒ No			
	If "Yes," list the years ▶ ______, ______, ______, ______			
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) N/A	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. ▶ ______, ______, ______, ______			
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 2016 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 2016)* N/A	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 2016?	4b		X

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)?	N/A	5b	
Organizations relying on a current notice regarding disaster assistance check here	▶ ☐		
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A	☐ Yes ☐ No		
If "Yes," attach the statement required by Regulations section 53 4945-5(d)			
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No		
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		6b	X
If "Yes" to 6b, file Form 8870			
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes ☒ No		
b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	N/A	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.

(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
MARGARET WHITE WEAVER 8 GREENWAY PLAZA,SUITE 606 HOUSTON, TX 77046	CHAIRMAN, PRESIDENT 20.00	0.	0.	0.
LUCY HANES CHATHAM 8 GREENWAY PLAZA,SUITE 606 HOUSTON, TX 77046	VICE PRESIDENT 0.00	0.	0.	0.
PAMELA LYNN WOODS 8 GREENWAY PLAZA,SUITE 606 HOUSTON, TX 77046	SECRETARY, TREASURER 0.00	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). 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 ▶ 0

Form **990-PF** (2016)

623551 11-23-16

Part VIII **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** *(continued)*

3 Five highest-paid independent contractors for professional services. 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 ▶		0

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 N/A	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	0.
2 N/A	0.
All other program-related investments. See instructions.	
3 N/A	0.
Total. Add lines 1 through 3 ▶	0.

Form **990-PF** (2016)

623561 11-23-16

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	16,209,226.
b	Average of monthly cash balances	1b	1,543,578.
c	Fair market value of all other assets	1c	11,265.
d	**Total** (add lines 1a, b, and c)	1d	17,764,069.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e 0.		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	17,764,069.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	266,461.
5	**Net value of noncharitable-use assets** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	17,497,608.
6	**Minimum investment return** Enter 5% of line 5	6	874,880.

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	874,880.
2a	Tax on investment income for 2016 from Part VI, line 5 2a 5,317.		
b	Income tax for 2016 (This does not include the tax from Part VI.) 2b		
c	Add lines 2a and 2b	2c	5,317.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	869,563.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	869,563.
6	Deduction from distributable amount (see instructions)	6	0.
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	869,563.

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	889,000.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	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	889,000.
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	5	5,317.
6	**Adjusted qualifying distributions** Subtract line 5 from line 4	6	883,683.

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 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				869,563.
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only			888,794.	
b Total for prior years: ____, ____, ____		0.		
3 Excess distributions carryover, if any, to 2016:				
a From 2011				
b From 2012				
c From 2013				
d From 2014				
e From 2015				
f **Total** of lines 3a through e	0.			
4 Qualifying distributions for 2016 from Part XII, line 4: ▶ $ 889,000.				
a Applied to 2015, but not more than line 2a			888,794.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2016 distributable amount				206.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2015. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2016. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2017				869,357.
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)	0.			
8 Excess distributions carryover from 2011 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2017.** Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2012				
b Excess from 2013				
c Excess from 2014				
d Excess from 2015				
e Excess from 2016				

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2016, 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	Prior 3 years			
	(a) 2016	(b) 2015	(c) 2014	(d) 2013	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
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))

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:

MARGARET W. WEAVER, 713-840-7896
8 GREENWAY PLAZA, SUITE 606, HOUSTON, TX 77046

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

SEE STATEMENT

c Any submission deadlines:

SEE STATEMENT

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

SEE STATEMENT

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				
FORREST FOUNDATION 12019 E COUNTY ROAD, 7300 SLATON, TX 79364	NONE	PC	UNRESTRICTED	20,000.
HOUSTON GRAND OPERA 510 PRESTON STREET HOUSTON, TX 77002	NONE	PC	UNRESTRICTED	10,000.
HUMBLE INDEPENDENT SCHOOL DISTRICT 13300 WILL CLAYTON PARKWAY HUMBLE, TX 77346	NONE	PC	UNRESTRICTED	29,000.
LAUREN ROGERS MUSEUM OF ART P.O. BOX 1108 LAUREL, MS 39441	NONE	PC	UNRESTRICTED	10,000.
LINVILLE FOUNDATION PO BOX 99 LINVILLE, NC 28646	NONE	PC	UNRESTRICTED	150,000.
Total SEE CONTINUATION SHEET(S)			▶ 3a	889,000.
b Approved for future payment NONE				
Total			▶ 3b	0.

Part XVI-A **Analysis of Income-Producing Activities**

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	Related or exempt function income
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	294,769.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	329,832.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a PTP - ENERGY TRANSFER	900099	91.	01	818.	
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		91.		625,419.	0.

13 Total Add line 12, columns (b), (d), and (e) 13 625,510.

(See worksheet in line 13 instructions to verify calculations)

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

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).

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)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

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

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

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
N/A		

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: 5/12/17 Title: Chairman

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
CATHY CHANCE	Cathy Chance	5/10/2017		P00533162

Firm's name ▶ RSM US LLP — Firm's EIN ▶ 42-0714325

Firm's address ▶ 1330 POST OAK BLVD, SUITE 2400 HOUSTON, TX 77056 — Phone no. 713.625.3500

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
MEMORIAL PARK CONSERVANCY P.O. BOX 131024 HOUSTON, TX 77219	NONE	PC	UNRESTRICTED	100,000.
NEUHAUS EDUCATION CENTER 4433 BISSONNET BELLAIRE, TX 77401	NONE	PC	UNRESTRICTED	20,000.
PINE FOREST ELEMENTARY 19702 W. LAKE HOUSTON PKWY HUMBLE, TX 77346	NONE	PC	UNRESTRICTED	6,000.
SHELDON INDEPENDENT SCHOOL DISTRICT 11411 C E KING PKWY % ABRAHAM GEORGE HOUSTON, TX 77004	NONE	PC	UNRESTRICTED	35,000.
ST. MARTIN'S EPISCOPAL CHURCH 717 SAGE ROAD HOUSTON, TX 77056	NONE	PC	UNRESTRICTED	204,000.
THE HERITAGE FOUNDATION 214 MASSACHUSETTS AVENUE WASHINGTON, DC 20002	NONE	PC	UNRESTRICTED	20,000.
THE WESTVIEW SCHOOL, INC. 1900 KERSTEN DR. HOUSTON, TX 77043	NONE	PC	UNRESTRICTED	20,000.
TIRR FOUNDATION 4605 POST OAK PLACE, SUITE 222 HOUSTON, TX 77027	NONE	PC	UNRESTRICTED	210,000.
TLR FOUNDATION 1701 BRUN STREET, SUITE 20 HOUSTON, TX 77019	NONE	PC	UNRESTRICTED	50,000.
FIREFIGHTERS HELPING FIREFIGHTERS INC. P.O. BOX 773 HOUSTON, TX 77001	NONE	PC	UNRESTRICTED	5,000.
Total from continuation sheets				670,000.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
ENERGY TRANSFER EQUITY LP	405.	0.	405.	405.	0.
NORTHERN TRUST - AGENCY 26-93893	104,529.	34.	104,495.	104,495.	0.
NORTHERN TRUST - US TRUST 26-93894	75,619.	39.	75,580.	73,116.	0.
NORTHERN TRUST - US TRUST 26-93896	99,125.	732.	98,393.	98,393.	0.
UBS FINANCIAL SERVICES	15,896.	0.	15,896.	15,896.	0.
TO PART I, LINE 4	295,574.	805.	294,769.	292,305.	0.

FORM 990-PF OTHER INCOME STATEMENT 2

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
PTP - ENERGY TRANSFER	909.	0.	0.
TOTAL TO FORM 990-PF, PART I, LINE 11	909.	0.	0.

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	22,503.	22,503.	0.	0.
TO FORM 990-PF, PG 1, LN 16B	22,503.	22,503.	0.	0.

FORM 990-PF TAXES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PAYROLL TAX EXPENSE	855.	855.	0.	0.
FOREIGN TAX WITHHOLDING	475.	475.	0.	0.
EXCISE TAX EXPENSE	19,225.	0.	0.	0.
TO FORM 990-PF, PG 1, LN 18	20,555.	1,330.	0.	0.

FORM 990-PF OTHER EXPENSES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT FEES - NT AGENCY	2,500.	2,500.	0.	0.
INVESTMENT FEES - NT US TRUST	26,516.	26,516.	0.	0.
INVESTMENT FEES - NT UST FIXED	18,388.	18,388.	0.	0.
INVESTMENT FEES - UBS	7,851.	7,851.	0.	0.
SERVICE FEES - CLASS ACTION PROCEEDS	19.	19.	0.	0.
OFFICE EXPENSE	23.	23.	0.	0.
TO FORM 990-PF, PG 1, LN 23	55,297.	55,297.	0.	0.

FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 6

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
GOVERNMENT OBLIGATIONS - SEE STATEMENT	X		1,400,196.	1,416,472.
TOTAL U.S. GOVERNMENT OBLIGATIONS			1,400,196.	1,416,472.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			1,400,196.	1,416,472.

FORM 990-PF CORPORATE STOCK STATEMENT 7

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCK - SEE STATEMENT	9,031,591.	14,387,752.
TOTAL TO FORM 990-PF, PART II, LINE 10B	9,031,591.	14,387,752.

FORM 990-PF CORPORATE BONDS STATEMENT 8

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORBORATE BONDS - SEE STATEMENT	918,298.	933,631.
TOTAL TO FORM 990-PF, PART II, LINE 10C	918,298.	933,631.

FORM 990-PF OTHER INVESTMENTS STATEMENT 9

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
ASSET BACKED SECURITIES - SEE STATEMENT	COST	171,884.	171,844.
COMMERICAL MORTGAGE BACKED SECURITIES - SEE STATEMENT	COST	101,562.	103,027.
NON-GORVERNMENT COMMERCIAL MORTGAGE SECURITIES - SEE STATEMENT	COST	10,300.	10,315.
3,000 UNITS ENERGY TRANSFER EQUITY, LP	COST	-17,675.	50,669.
TOTAL TO FORM 990-PF, PART II, LINE 13		266,071.	335,855.

FORM 990-PF OTHER LIABILITIES STATEMENT 10

DESCRIPTION	BOY AMOUNT	EOY AMOUNT
PAYROLL TAX PAYABLE	378.	388.
TOTAL TO FORM 990-PF, PART II, LINE 22	378.	388.

The Mary H. Cain Foundation
Asset Reconciliation
12/31/2016

20-8483773

	U.S. and state government obligations	Corporate Stock	Corporate Bonds	Other	Total
Book Value (Cost):					
Northern Trust - Agency		3,655,637 30			3,655,637 30
Northern Trust - UST Fixed			918,297 61		918,297 61
Government Bonds	525,250 22				525,250 22
Government Agencies	72,415 74				72,415 74
Municipal/Provincial Bonds	54,233 67				54,233 67
Government Mortgage Backed Securities	731,075 66				731,075 66
Asset Backed Securities				171,883 50	171,883 50
Commercial Mortgage Backed Securities	17,220 36			101,562 48	118,782 84
Non-Government Backed CMO				10,299 92	10,299 92
Index Linked Government Bonds					-
Total Northern Trust - UST Fixed	1,400,195 65	-	918,297 61	283,745 90	2,602,239 16
Northern Trust - UST Div VI		4,355,126 24			4,355,126 24
UBS Financial Services					
Common Stock		1,020,827 54			1,020,827 54
Mutual Funds		-			-
Total UBS Financial Services	-	1,020,827 54	-	-	1,020,827 54
Total	1,400,195 65	9,031,591 08	918,297 61	283,745 90	11,633,830 24
Fair Market Value:					
Northern Trust - Agency		7,843,995 54			7,843,995 54
Northern Trust - UST Fixed			933,631 48		933,631 48
Government Bonds	532,215 00				532,215 00
Government Agencies	71,479 00				71,479 00
Municipal/Provincial Bonds	60,933 60				60,933 60
Government Mortgage Backed Securities	734,629 59				734,629 59
Asset Backed Securities				171,844 12	171,844 12
Commercial Mortgage Backed Securities	17,214 42			103,027 02	120,241 44
Non-Government Backed CMO				10,314 74	10,314 74
Index Linked Government Bonds					-
Total Northern Trust - UST Fixed	1,416,471 61	-	933,631 48	285,185 88	2,635,288 97
Northern Trust - UST Div VI		5,510,034 92			5,510,034 92
UBS Financial Services					-
Common Stock		1,033,721 80			1,033,721 80
Mutual Funds		-			-
Total UBS Financial Services	-	1,033,721 80	-	-	1,033,721 80
Total	1,416,471 61	14,387,752 26	933,631 48	285,185 88	17,023,041 23