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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 instructions is at www.irs.gov/form990pf.

OMB No 1545-0052

2016

Open to Public Inspection

For calendar year 2016, or tax year beginning 01-01-2016, and ending 12-31-2016

Name of foundation

William S & Ann Atherton Foundation

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

1924 S Utica Suite 1018

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

Tulsa, OK 74104

G Check all that apply

☐ Initial return

☐ Initial return of a former public charity

☐ Final return

☐ Amended return

☐ Address change

☐ 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)

\$ 16,091,756

J Accounting method

☒ Cash

☐ Accrual

☐ Other (specify)

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

A Employer identification number

73-1520309

B Telephone number (see instructions)

(918) 749-3953

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)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)	0		
	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	441,194	441,194	
	5a Gross rents			
	b Net rental income or (loss) _____			
	6a Net gain or (loss) from sale of assets not on line 10			
	b Gross sales price for all assets on line 6a _____			
	7 Capital gain net income (from Part IV, line 2)		0	
	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)	 219	0		
12 Total. Add lines 1 through 11	441,413	441,194		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	84,000	50,400	33,600
	14 Other employee salaries and wages	12,000	7,200	4,800
	15 Pension plans, employee benefits			
	16a Legal fees (attach schedule)			
	b Accounting fees (attach schedule)	 9,336	5,602	3,734
	c Other professional fees (attach schedule)			
	17 Interest			
	18 Taxes (attach schedule) (see instructions)	 30,818	4,613	3,075
	19 Depreciation (attach schedule) and depletion	 5,712	5,712	
	20 Occupancy	4,250	2,550	1,700
	21 Travel, conferences, and meetings	38,859	23,315	15,544
	22 Printing and publications			
	23 Other expenses (attach schedule)	 7,377	4,426	2,951
	24 Total operating and administrative expenses. Add lines 13 through 23	192,352	103,818	65,404
	25 Contributions, gifts, grants paid	754,500		754,500
	26 Total expenses and disbursements. Add lines 24 and 25	946,852	103,818	819,904
	27 Subtract line 26 from line 12			
	a Excess of revenue over expenses and disbursements	-505,439		
	b Net investment income (if negative, enter -0-)		337,376	
c Adjusted net income (if negative, enter -0-)				

For Paperwork Reduction Act Notice, see instructions.

Cat No 11289X

Form 990-PF (2016)

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)			Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value			
Assets	1	Cash—non-interest-bearing	213,006	121,868	121,868		
	2	Savings and temporary cash investments	816,916	408,328	408,328		
	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)	11,595,992	11,595,992	14,898,256		
	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)	614,310	637,109	637,109		
	14	Land, buildings, and equipment basis ▶ _____ 46,406 Less accumulated depreciation (attach schedule) ▶ 20,211	31,908	26,195	26,195		
15	Other assets (describe ▶ _____)						
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	13,272,132	12,789,492	16,091,756			
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 (attach schedule)					
	22	Other liabilities (describe ▶ _____)					
	23	Total liabilities (add lines 17 through 22)	0	0			
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	4,659,610	4,659,610			
	28	Paid-in or capital surplus, or land, bldg , and equipment fund	0	0			
	29	Retained earnings, accumulated income, endowment, or other funds	8,612,522	8,129,882			
30	Total net assets or fund balances (see instructions)	13,272,132	12,789,492				
31	Total liabilities and net assets/fund balances (see instructions) .	13,272,132	12,789,492				

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	13,272,132
2	Enter amount from Part I, line 27a	2	-505,439
3	Other increases not included in line 2 (itemize) ▶ _____	3	22,799
4	Add lines 1, 2, and 3	4	12,789,492
5	Decreases not included in line 2 (itemize) ▶ _____	5	0
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 .	6	12,789,492

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			

(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			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(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	
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 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	789,965	15,486,932	0 051008
2014	346,413	9,772,347	0 035448
2013	318,884	6,120,648	0 052100
2012	285,462	4,688,724	0 060883
2011	223,485	4,084,402	0 054717
2 Total of line 1, column (d)			2 0 254156
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 050831
4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5			4 15,579,537
5 Multiply line 4 by line 3			5 791,923
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 3,374
7 Add lines 5 and 6			7 795,297
8 Enter qualifying distributions from Part XII, line 4			8 819,904

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 ☒ and enter 1% of Part I, line 27b	1	3,374
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	3,374
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	3,374
6	Credits/Payments		
a	2016 estimated tax payments and 2015 overpayment credited to 2016	6a	27,000
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	27,000
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	23,626
11	Enter the amount of line 10 to be Credited to 2017 estimated tax ☐ 23,626 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	No
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for 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	1b	No
c Did the foundation file Form 1120-POL for this year?	1c	No
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	No
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	No
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	No
b If "Yes," has it filed a tax return on Form 990-T for this year?	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	No
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	Yes
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	Yes
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ☐ OK		
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	Yes
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	No
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10	No

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions).	11		No
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		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	Yes	
14	The books are in care of ► Jessica A Faubert Telephone no ► (918) 749-3953			

Located at **►** 1924 S Utica Suite 1018 Tulsa OK ZIP+4 **►** 74104

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 0			
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? See instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If "Yes," enter the name of the foreign country ►	16	Yes	No

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.

1a	During the year did the foundation (either directly or indirectly)		Yes	No
(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. ► ☐	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 2016? ☐	1c		No
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 ► 20____, 20____, 20____, 20____			
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions). ☐	2b		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20____, 20____, 20____, 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 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). ☐	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
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		No

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. ☐ Yes ☒ No 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)	5b	No
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	6b	No
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	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	Title, and average hours per week (b) devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	Expense account, (e) other allowances
See Additional Data Table				
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	Title, and average hours per week (b) devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	Expense account, (e) other allowances
NONE				
Total number of other employees paid over \$50,000. ☐ Yes ☒ No				0

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

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE".

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services. ►		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 The William S. and Ann Atherton Foundation is a private, non-operating foundation. It accomplishes its charitable purpose solely through a program of making charitable gifts and grants and does not conduct any direct charitable activities or make program-related investments. The Foundation Manager spends an average of 60% of her time administering investments and 40% answering correspondence, and investigating institutions that require funding. Therefore, 40% of related expenses have been allocated to grant-making activities.	0
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 	0
Total. Add lines 1 through 3 ►	0

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	14,505,969
b	Average of monthly cash balances.	1b	674,986
c	Fair market value of all other assets (see instructions).	1c	635,834
d	Total (add lines 1a, b, and c).	1d	15,816,789
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	15,816,789
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	237,252
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4.	5	15,579,537
6	Minimum investment return. Enter 5% of line 5.	6	778,977

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	778,977
2a	Tax on investment income for 2016 from Part VI, line 5.	2a	3,374
b	Income tax for 2016 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	3,374
3	Distributable amount before adjustments. Subtract line 2c from line 1.	3	775,603
4	Recoveries of amounts treated as qualifying distributions.	4	0
5	Add lines 3 and 4.	5	775,603
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	775,603

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	819,904
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	819,904
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	3,374
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	816,530

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				775,603
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only.			0	
b Total for prior years 20____, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2016				
a From 2011.				
b From 2012.				
c From 2013.				
d From 2014.				
e From 2015.				13,377
f Total of lines 3a through e.	13,377			
4 Qualifying distributions for 2016 from Part XII, line 4 ▶ \$ <u>819,904</u>				
a Applied to 2015, but not more than line 2a			0	
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.				775,603
e Remaining amount distributed out of corpus	44,301			
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	57,678			
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 instructions			0	
f Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2017				0
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 (see instructions).	0			
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a	57,678			
10 Analysis of line 9				
a Excess from 2012.				
b Excess from 2013.				
c Excess from 2014.				
d Excess from 2015.				13,377
e Excess from 2016.				44,301

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 2016, enter the date of the ruling. ▶

b Check box to indicate whether the organization is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

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

	Tax year	Prior 3 years			(e) Total
	(a) 2016	(b) 2015	(c) 2014	(d) 2013	
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 organization 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))

William S Atherton

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

Jessica Faubert
1924 S Utica Suite 1018
Tulsa, OK 74104
(918) 749-3953

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

Description of program and outline of needs

c Any submission deadlines

None

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

None

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a <i>Paid during the year</i> See Additional Data Table				
Total			▶ 3a	754,500
b <i>Approved for future payment</i>				
Total			▶ 3b	0

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
f _____					
g Fees and contracts from government agencies					
2 Membership dues and assessments. . . .					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities. . . .			14	441,194	
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.			15	219	
8 Gain or (loss) from sales of assets other than inventory					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a _____					
b _____					
c _____					
d _____					
e _____					
12 Subtotal. Add columns (b), (d), and (e). .		0		441,413	0
13 Total. Add line 12, columns (b), (d), and (e).			13		441,413

(See worksheet in line 13 instructions to verify calculations)

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

[illegible]

Part XVII

- | | Yes | No |
|-------|-----|----|
| 1a(1) | | No |
| 1a(2) | | No |
| 1b(1) | | No |
| 1b(2) | | No |
| 1b(3) | | No |
| 1b(4) | | No |
| 1b(5) | | No |
| 1b(6) | | No |
| 1c | | No |

[illegible]

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

- b** If "Yes," complete the following schedule

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

**Sign
Here**

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

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

**Paid
Preparer
Use Only**

Print/Type preparer's name Preston Smith CPA	Preparer's Signature	Date 2017-11-13	Check if self-employed ☐	PTIN P00357271
Firm's name ▶ Preston Smith PLLC				Firm's EIN ▶ 45-3944293
Firm's address ▶ 8118 East 63rd Street Tulsa, OK 74133				Phone no (918) 250-1040

Form 990PF Part VIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation				
(a) Name and address	Title, and average hours per week (b) devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	Expense account, (e) other allowances
William S Atherton	Chairman 1 00	0	0	1,000
1924 South Utica Suite 1018 Tulsa, OK 74104				
Delores Ann Atherton	Director 1 00	0	0	1,000
1924 South Utica Suite 1018 Tulsa, OK 74104				
Jessica Ann Faubert	President 24 00	60,000	0	1,000
1924 South Utica Suite 1018 Tulsa, OK 74104				
J Thomas Atherton	Treasurer 1 00	24,000	0	1,000
1924 South Utica Suite 1018 Tulsa, OK 74104				
Michael Dirk Atherton	Director 1 00	0	0	2,000
1924 South Utica Suite 1018 Tulsa, OK 74104				
Preston B Smith	Secretary 1 00	0	0	0
8118 East 63rd Street Tulsa, OK 741331901				

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
Akdar Shrine Center 2808 South Sheridan Tulsa, OK 74129	None	Public	Patient Transportation Fund	2,000
American Cancer Society 4110 S 100th East Ave3 Tulsa, OK 74146	None	Public	Cattle Baron's Ball	5,000
American Council on Science and Health 1995 Broadway Second Floor New York, NY 10023	None	Public	General Fund	1,000
American Heart Association 2227 E Skelly Drive Tulsa, OK 74105	None	Public	Tulsa Heart Ball	5,000
American Legislative Exchange Council 2900 Crystal Drive Suite 600 Arlington, VA 22202	None	Public	General Fund	1,000
Total ▶ 3a				754,500

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
American Quarter Horse Foundation PO Box 32111 Amarillo, TX 79120	None	Public	Equine Research	1,000
Ashbrook Center 401 College Avenue Ashland, OH 44805	None	Public	General Fund	1,000
Bit by BitRSU Foundation 16544 A South Hwy 169 Oolagah, OK 74053	None	Public	General Fund	5,000
Boy Scouts of America 4295 South Garnett Road Tulsa, OK 74146	None	Public	Indian Nations Council	500
Capital Research Center 1513 16th Street NW Washington, DC 20036	None	Private	General Fund	1,000
Total ▶ 3a				754,500

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
Committee for a Constructive Tomorrow P O Box 430 Abingdon, MD 21009	None	Public	General Fund	1,000
Competitive Enterprise Institute 1310 L Street NW Washington, DC 20005	None	Public	General Fund	500
Goldwater Institute 500 East Coronado Road Phoenix, AZ 85004	None	Public	General Fund	1,000
Hillsdale College 33 East College Street Hillsdale, MI 49242	None	Public	Chapel	300,000
Holland Hall Annual Fund 5666 E 81st Street Tulsa, OK 74137	None	Private	Annual Fund	1,500
Total ▶ 3a				754,500

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
Hospitality House of Tulsa PO Box 14472 Tulsa, OK 74159	None	Public	General Fund	1,000
Institute for Energy Research 1155 15th Street NW Suite 900 Washington, DC 20005	None	Public	General Fund	1,500
Institute for Justice 901 N Glebe Road Suite 900 Arlington, VA 22203	None	Public	General Fund	1,000
Judicial Watch 501 School St NW Suite 700 Washington, DC 20024	None	Public	General Fund	4,000
Make-A-Wish Foundation of Oklahoma 4504 E 67th Street 208 Tulsa, OK 74136	None	Public	General Fund	1,400
Total ▶ 3a				754,500

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
Mercatus Center 3301 North Fairfax Drive Arlington, VA 22201	None	Public	General Fund	5,000
Moving Picture Institute 375 Greenwich Street New York City, NY 10013	None	Public	General Fund	2,500
Nat'l Cowboy & Western Heritage Museum 1700 Northeast 63rd Street Oklahoma City, OK 73111	None	public	Matching Gift Campaign	50,000
Nat'l Cowboy & Western Heritage Museum 1700 NE 63rd Street Oklahoma City, OK 73111	None	public	Dally Horn Membership	100,000
Nature Works PO Box 52551 Tulsa, OK 74152	None	Public	General Fund	2,500
Total ► 3a				754,500

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
Oklahoma Council of Public Affairs 1401 North Lincoln Boulevard Oklahoma City, OK 73104	None	Public	Liberty Gala	25,000
Oklahoma State University Foundation 107 Whitehurst Stillwater, OK 74078	None	Public	Atherton Hotel Project	100,000
Philbrook Museum of Art 2727 S Rockford Rd Tulsa, OK 74114	None	Public	General Fund	3,000
Riverfield Country Day School 2433 West 61st Street South Tulsa, OK 74132	None	public	General Fund	2,000
Ronald McDonald House Charities 6102 South Hudson Avenue Tulsa, OK 74136	None	Public	McDazzle Fundraiser	2,500
Total ▶ 3a				754,500

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
Sigma Nu Educational Foundation PO Box 1869 Lexington, VA 24450	None	Public	General Fund	5,000
State Policy Network 1655 N Ft Myer Drive Suite 360 Arlington, VA 22209	None	Public	General Fund	8,000
The Claremont Institute 937 West Foothill Blvd Suite E Claremont, CA 91711	none	Public	General Fund	8,000
The Elephant Sanctuary PO Box 393 Hohenwald, TN 38462	None	Public	General Fund	1,000
The Franklin Center 1229 King Street 3rd Floor Alexandria, VA 22314	None	Public	General Fund	2,000
Total ▶ 3a				754,500

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
The Fund for American Studies 1706 New Hampshire Ave NW Washington, DC 20009	None	Public	Legal Studies Institute	500
The Heritage Foundation 214 Massachusetts Avenue NE Washington, DC 20002	None	Public	General Fund	50,000
The Leadership Institute 1101 North Highland Street Arlington, VA 22201	None	Public	General Fund	10,000
The Liberty Foundation of America 1401 North Lincoln Blvd Suite 500 Oklahoma City, OK 73104	None	Public	General Fund	5,000
The Little Light House 5120 East 36th Street Tulsa, OK 74135	None	Public	General Fund	1,000
Total ▶ 3a				754,500

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
Tulsa Botanic Garden PO Box 707 Tulsa, OK 74101	None	Public	General Fund	2,500
University of the Cumberlands 6191 College Station Drive Williamsburg, KY 40769	None	Public	General Fund	2,000
Young America's Foundation 110 Elden Street Herndon, VA 20171	None	Public	General Fund	2,500
American Red Cross - Tulsa Area Chapter 1051 East 11th Street Tulsa, OK 74128	None	public	Rescue Gala Sponsor	2,500
Commemorative Air Force PO Box 758535 Topeka, KS 666758535	None	public	General Fund	1,000
Total ▶ 3a				754,500

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
Eisenhower Foundation PO Box 35 Abilene, KS 67410	none	public	General Fund	500
Mountain States Legal Foundation 2596 S Lewis Way Lakewood, CO 80227	None	Public	General Fund	1,000
NRA Civil Rights Defense Fund 11250 Waples Mill Road Fairfax, VA 22030	none	public	General Fund	2,000
Oklahoma Wesleyan University 2201 Silver Lake Road Bartlesville, OK 74006	NOne	PRivate	Annual Fund	20,000
Rainbow Meadows Equine Rescue & Retirement Inc 1949 Dalton Road Sedan, KS 67361	none	public	General Funds	2,000
Total ▶ 3a				754,500

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
St Jude Children's Research Hospital PO Box 167 Memphis, TN 38101	none	public	General Fund	100
Total 				754,500
3a				

TY 2016 Accounting Fees Schedule**Name:** William S & Ann Atherton Foundation**EIN:** 73-1520309

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Accounting Fees	9,336	5,602		3,734

TY 2016 All Other Program Related Investments Schedule

Name: William S & Ann Atherton Foundation
EIN: 73-1520309

Category	Amount
Statement 7	0

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2016 Depreciation Schedule

Name: William S & Ann Atherton Foundation
EIN: 73-1520309

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
Office chairs	2000-12-04	846	846	SL	7 0000000000000	0	0		
Draperies & Rug	2000-12-22	3,797	3,797	SL	7 0000000000000	0	0		
Office furniture	2001-04-11	878	844	SL	7 0000000000000	34	34		
Computer	2007-06-28	1,137	1,137	SL	7 0000000000000	0	0		
Computer	2013-02-10	1,158	482	SL	7 0000000000000	165	165		
Desk	2013-10-31	3,838	1,187	SL	7 0000000000000	548	548		
2015 Acura MDX	2014-09-30	34,752	6,206	SL	7 0000000000000	4,965	4,965		

TY 2016 General Explanation Attachment**Name:** William S & Ann Atherton Foundation**EIN:** 73-1520309**General Explanation Attachment**

Identifier	Return Reference	Explanation	
1	Expense allocation basis	Form 990-PF, Part IX-A, Line 1	The William S and Ann Atherton Foundation is a private, non-operating foundation. It accomplishes its charitable purpose solely through a program of making charitable gifts and grants and does not conduct any direct charitable activities or make program-related investments. The Foundation Manager spends an average of 60% of her time administering investments and 40% answering correspondence, and investigating institutions that require funding. Therefore, 40% of related expenses have been allocated to grant-making activities.

TY 2016 Investments Corporate Stock Schedule**Name:** William S & Ann Atherton Foundation**EIN:** 73-1520309

Name of Stock	End of Year Book Value	End of Year Fair Market Value
Pepsico, Inc.	10,166,677	13,283,720
Golden Ocean Group LTD	76,272	3,768
Yum Brands, Inc.	116,847	447,250
Hugoton Rty Tr Tex	49,230	9,998
Walmart de Mexico	2,226	1,340
Williams Companies	1,184,740	1,152,180

TY 2016 Investments - Other Schedule

Name: William S & Ann Atherton Foundation

EIN: 73-1520309

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
NWM Life Insurance Policy	FMV	637,109	637,109

**TY 2016 Land, Etc.
Schedule****Name:** William S & Ann Atherton Foundation**EIN:** 73-1520309

Category / Item	Cost / Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
Office chairs	846	846	0	0
Draperies & Rug	3,797	3,797	0	0
Office furniture	878	878	0	0
Computer	1,137	1,137	0	0
Computer	1,158	647	511	511
Desk	3,838	1,735	2,103	2,103
2015 Acura MDX	34,752	11,171	23,581	23,581

TY 2016 Other Expenses Schedule**Name:** William S & Ann Atherton Foundation**EIN:** 73-1520309**Other Expenses Schedule**

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Insurance	1,023	614		409
Auto	299	179		120
OFFICE SUPPLIES	55	33		22
Director's Fees	6,000	3,600		2,400

TY 2016 Other Income Schedule

Name: William S & Ann Atherton Foundation

EIN: 73-1520309

Other Income Schedule

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
Royalty Income	219	0	0

TY 2016 Other Increases Schedule

Name: William S & Ann Atherton Foundation
EIN: 73-1520309

Description	Amount
Increase in cash value of life insurance contract	22,799

TY 2016 Taxes Schedule**Name:** William S & Ann Atherton Foundation**EIN:** 73-1520309

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Payroll taxes	7,688	4,613		3,075
Excise Tax	23,130	0		0