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

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

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

OMB No 1545-0052

2016

Open to Public Inspection

For calendar year 2016 or tax year beginning

, and ending

Name of foundation SEMME FOUNDATION, INC		A Employer identification number 74-6062264
Number and street (or P.O. box number if mail is not delivered to street address) 800 NAVARRO	Room/suite 210	B Telephone number 210-225-0887
City or town, state or province, country, and ZIP or foreign postal code SAN ANTONIO, TX 78205		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 41,205,074.	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (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)
1 Contributions, gifts, grants, etc., received		45,739.			
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		1,669.	1,669.		STATEMENT 1
4 Dividends and interest from securities		937,889.	937,889.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		526,923.			
b Gross sales price for all assets on line 6a		6,586,329.			
7 Capital gain net income (from Part IV, line 2)			526,923.		
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		356,406.	356,406.	0.	STATEMENT 3
12 Total. Add lines 1 through 11		1,868,626.	1,822,887.	0.	
13 Compensation of officers, directors, trustees, etc		40,000.	10,000.	0.	30,000.
14 Other employee salaries and wages					
15 Pension plans, employee benefits		2,295.	574.	0.	1,721.
16a Legal fees					
b Accounting fees STMT 4		14,650.	7,325.	0.	7,325.
c Other professional fees STMT 5		137,096.	137,096.	0.	0.
17 Interest					
18 Taxes STMT 6		63,227.	46,972.	0.	0.
19 Depreciation and depletion		53,160.	53,160.	0.	
20 Occupancy					
21 Travel, conferences, and meetings		1,025.	513.	0.	513.
22 Printing and publications		1,900.	950.	0.	950.
23 Other expenses STMT 7		6,717.	6,394.	0.	323.
24 Total operating and administrative expenses. Add lines 13 through 23		320,070.	262,984.	0.	40,832.
25 Contributions, gifts, grants paid		1,896,172.			1,896,172.
26 Total expenses and disbursements. Add lines 24 and 25		2,216,242.	262,984.	0.	1,937,004.
27 Subtract line 26 from line 12.					
a Excess of revenue over expenses and disbursements		<347,616.>			
b Net investment income (if negative, enter -0-)			1,559,903.		
c Adjusted net income (if negative, enter -0-)				0.	

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			139,252.	199,389.	199,389.
	2 Savings and temporary cash investments			750,554.	1,028,048.	1,028,047.
	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					
	10a Investments - U.S. and state government obligations STMT 9			799,214.	0.	0.
	b Investments - corporate stock STMT 10			21,134,582.	21,363,069.	39,025,408.
	c Investments - corporate bonds					
	Liabilities	11 Investments - land, buildings, and equipment basis ▶				
Less: accumulated depreciation ▶						
12 Investments - mortgage loans						
13 Investments - other						
14 Land, buildings, and equipment basis ▶						
Less: accumulated depreciation ▶						
15 Other assets (describe ▶ STATEMENT 11)				2,979.	6,181.	952,230.
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)				22,826,581.	22,596,687.	41,205,074.
17 Accounts payable and accrued expenses				250.	250.	
18 Grants payable						
Net Assets or Fund Balances	19 Deferred revenue					
	20 Loans from officers, directors, trustees, and other disqualified persons					
	21 Mortgages and other notes payable					
	22 Other liabilities (describe ▶ FEDERAL EXCISE TAX)			2,993.	908.	
23 Total liabilities (add lines 17 through 22)			3,243.	1,158.		
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			0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds			22,823,338.	22,595,529.	
	30 Total net assets or fund balances			22,823,338.	22,595,529.	
31 Total liabilities and net assets/fund balances			22,826,581.	22,596,687.		

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	22,823,338.
2 Enter amount from Part I, line 27a	2	<347,616.>
3 Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 8	3	119,807.
4 Add lines 1, 2, and 3	4	22,595,529.
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	22,595,529.

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Part IV Capital Gains and Losses for Tax on Investment Income SEE ATTACHED STATEMENTS

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

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e	6,586,329.	6,059,406.	526,923.

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			
b			
c			
d			
e			526,923.

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	526,923.
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	N/A

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	1,998,722.	40,678,450.	.049135
2014	2,067,565.	42,535,313.	.048608
2013	1,316,046.	40,300,097.	.032656
2012	2,067,947.	35,971,022.	.057489
2011	1,379,185.	33,551,537.	.041106

2 Total of line 1, column (d)	2	.228994
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	.045799
4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	39,313,539.
5 Multiply line 4 by line 3	5	1,800,521.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	15,599.
7 Add lines 5 and 6	7	1,816,120.
8 Enter qualifying distributions from Part XII, line 4	8	1,937,004.

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 <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	15,599.
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	15,599.
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	15,599.
6 Credits/Payments:			
a 2016 estimated tax payments and 2015 overpayment credited to 2016	6a	15,200.	
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	15,200.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	399.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11 Enter the amount of line 10 to be: Credited to 2017 estimated tax <input type="checkbox"/> Refunded <input checked="" type="checkbox"/>	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. \$ 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		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <u>TX</u>		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

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Part VII-A Statements Regarding Activities (continued)

	Yes	No
11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)		X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>WWW.SEMMESFOUNDATION.ORG</u>	X	
14 The books are in care of ► <u>THOMAS R SEMMES</u> Telephone no. ► <u>210-225-0887</u> Located at ► <u>800 NAVARRO, STE 210, SAN ANTONIO, TX</u> ZIP+4 ► <u>78205</u>		
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		<input type="checkbox"/>
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 the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ►	15 N/A	X

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly): (1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>	1b	X
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► _____, _____, _____	2b	
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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

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

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions)

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

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

6b

X

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

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

7b

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

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
SEE STATEMENT 13		40,000.	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

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Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)*
3 Five highest-paid independent contractors for professional services. 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	
2	
All other program-related investments See instructions.	
3 N/A	
	0.

Total. Add lines 1 through 3

0.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	37,107,845.
b	Average of monthly cash balances	1b	1,591,837.
c	Fair market value of all other assets	1c	1,212,540.
d	Total (add lines 1a, b, and c)	1d	39,912,222.
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	39,912,222.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	598,683.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	39,313,539.
6	Minimum investment return. Enter 5% of line 5	6	1,965,677.

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	1,965,677.
2a	Tax on investment income for 2016 from Part VI, line 5	2a	15,599.
b	Income tax for 2016. (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	15,599.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,950,078.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	1,950,078.
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	1,950,078.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	1,937,004.
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	1,937,004.
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	15,599.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,921,405.

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.

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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				1,950,078.
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only			1,885,651.	
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: ► \$ 1,937,004.				
a Applied to 2015, but not more than line 2a			1,885,651.	
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				51,353.
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				1,898,725.
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)

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				
ALAMO COLLEGES FOUNDATION, INC 201 W SHERIDAN BLDG C-3 SAN ANTONIO, TX 78204-1429		PC	SCHOLARSHIP PROGRAM	350,000.
MCNAY ART MUSEUM P.O. BOX 6069 SAN ANTONIO, TX 78212		PC	60TH ANNIVERSARY ART INITIATIVES	191,500.
PHILANTHROPY SOUTHWEST 624 N GOOD LATIMER EXPY # 100 DALLAS, TX 75204		PC	EDUCATIONAL SUPPORT	1,700.
SAN ANTONIO PUBLIC LIBRARY FOUNDATION 625 SHOOK AVE SAN ANTONIO, TX 78212		PC	EDUCATIONAL SUPPORT	252,022.
SANTE FE OPERA 301 OPERA DR. SANTA FE, NM 87506		PC	ARTS AND MUSIC SUPPORT	10,000.
Total	SEE CONTINUATION SHEET(S)			1,896,172.
b Approved for future payment				
NONE				
Total				0.

Part XVII

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

- | | | | |
|----------|--|----|--------------|
| 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? | | Yes |
| | | | |
| a | Transfers from the reporting foundation to a noncharitable exempt organization of: | | |
| | (1) Cash | -- | 1a(1) |
| | (2) Other assets | -- | 1a(2) |
| b | Other transactions: | | |
| | (1) Sales of assets to a noncharitable exempt organization | | 1b(1) |
| | (2) Purchases of assets from a noncharitable exempt organization | | 1b(2) |
| | (3) Rental of facilities, equipment, or other assets | | 1b(3) |
| | (4) Reimbursement arrangements | | 1b(4) |
| | (5) Loans or loan guarantees | | 1b(5) |
| | (6) Performance of services or membership or fundraising solicitations | | 1b(6) |
| c | Sharing of facilities, equipment, mailing lists, other assets, or paid employees | | 1c |
| d | If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received. | | |

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

[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
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.

Don. K. Schmas
Signature of officer or trustee

5.15.17
Date

PRESIDENT
Title

May the IRS discuss this return with the preparer shown below (see instr)?

☒ Yes ☐ No

**Paid
Preparer
Use Only**

Print/Type preparer's name

NANCY DUFFELL

Preparer's signature

Nancy Duffell

Date _____

5/15/17

Check ☐ if
self-employed

PTIN

P00889497

Firm's name ► **WEAVER & TIDWELL, LLP**

Firm's EIN ▶ 75-0786316

Firm's address ► 9311 SAN PEDRO AVE
SAN ANTONIO, TX 78216

Phone no. 210.737.1042

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 ATTACHMENT A - FROST #3000		P	VARIOUS	12/31/16
b ATTACHMENT A - FROST #3000		P	VARIOUS	12/31/16
c ATTACHMENT A - FROST #3000		P	VARIOUS	12/31/16
d ATTACHMENT B - FROST #3100		P	VARIOUS	12/31/16
e ATTACHMENT B - FROST #3100		P	VARIOUS	12/31/16
f ATTACHMENT B - FROST #3000		P	VARIOUS	12/31/16
g ATTACHMENT C - FROST #FC695		P	VARIOUS	12/31/16
h ATTACHMENT C - FROST #FC695		P	VARIOUS	12/31/16
i ATTACHMENT C - FROST #FC695		P	VARIOUS	12/31/16
j TIFF MULTIASSET FUND		P	VARIOUS	07/13/16
k ATTACHMENT D - MSSB #9092		P	VARIOUS	12/31/16
l ATTACHMENT D - MSSB #9092		P	VARIOUS	12/31/16
m ATTACHMENT D - MSSB #9092		P	VARIOUS	12/31/16
n ATTACHMENT E - MSSB #1092		P	VARIOUS	12/31/16
o ATTACHMENT E - MSSB #1092		P	VARIOUS	12/31/16

(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 54.		29.	25.
b 1,198,395.		1,198,395.	0.
c 139.		63.	76.
d 800,059.		818,884.	<18,825.>
e 1,321,286.		1,128,220.	193,066.
f 400,735.		81,947.	318,788.
g 177.		128.	49.
h 269,692.		359,106.	<89,414.>
i 59,884.		32,440.	27,444.
j 398,000.		391,184.	6,816.
k 90,788.		82,204.	8,584.
l 633,256.		601,709.	31,547.
m 20,174.		14,256.	5,918.
n 1,057,548.		1,086,517.	<28,969.>
o 251,836.		264,324.	<12,488.>

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			25.
b			0.
c			76.
d			<18,825.>
e			193,066.
f			318,788.
g			49.
h			<89,414.>
i			27,444.
j			6,816.
k			8,584.
l			31,547.
m			5,918.
n			<28,969.>
o			<12,488.>

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).
If (loss), enter "-0-" in Part I, line 8

3

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	TIFF PARTNERS IV	P	VARIOUS	12/31/16
b	TIFF PARTNERS IV	P	VARIOUS	12/31/16
c	TIFF PARTNERS IV-1231 GAIN	P	VARIOUS	12/31/16
d	TIFF CAPITAL GAINS DISTRIBUTION	P	VARIOUS	12/31/16
e	FROST #3000 CAPITAL GAINS DISTRIBUTION	P	VARIOUS	12/31/16
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

(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 8.			8.
b 3,342.			3,342.
c <14.>			<14.>
d 33,046.			33,046.
e 47,924.			47,924.
f			
g			
h			
i			
j			
k			
l			
m			
n			
o			

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			8.
b			3,342.
c			<14.>
d			33,046.
e			47,924.
f			
g			
h			
i			
j			
k			
l			
m			
n			
o			

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	526,923.
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	N/A

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
SOUTHWEST SCHOOL OF ART 300 AUGUSTA ST. SAN ANTONIO, TX 78205		PC	SUPPORT OF EDUCATIONAL ARTS PROGRAMS	50,500.
TEXAS BIOMEDICAL RESEARCH INSTITUTE P.O. BOX 760549 SAN ANTONIO, TX 78245-0549		PC	MEDICAL RESEARCH SUPPORT	950.
TRINITY UNIVERSITY 715 STADIUM DR SAN ANTONIO, TX 78212		PC	RENNOVATION OF GYMNASIUM	50,000.
UNITED WAY OF SAN ANTONIO AND BEXAR COUNTY 700 SOUTH ALAMO SAN ANTONIO, TX 78293		PC	GENERAL SUPPORT	100,000.
UNIVERSITY OF TEXAS AT SAN ANTONIO 1 UTSA CIRCLE SAN ANTONIO, TX 78249		PC	EDUCATIONAL SUPPORT	1,000.
YMCA OF GREATER SAN ANTONIO 1123 NAVARRO SAN ANTONIO, TX 78205		PC	YOUTH AND HEALTH PROGRAMS SUPPORT	250,000.
OPERA SAN ANTONIO 417 8TH STREET SAN ANTONIO, TX 78215		PC	SUPPORT THE ARTS	5,000.
SAN ANTONIO BOTANICAL GARDENS 555 FUNSTON PL SAN ANTONIO, TX 78209		PC	SUPPORT GENERAL OPERATIONS OF THE BOTANICAL GARDEN	350,000.
TEXAS MILITARY INSTITUTE 20955 WEST TEJAS TRAIL SAN ANTONIO, TX 78257		PC	TOWARDS PURCHASE OF ADJACENT PROPERTY	200,000.
UNIVERSITY OF ALABAMA BOX 870132 TUSCALOOSA, AL 35487		PC	UNIVERSITY MUSEUMS LONG RANGE PLAN STUDY	83,500.
Total from continuation sheets				1,090,950.

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
FROST SEMMES #1	1,613.	1,613.	1,613.
MORGAN STANLEY GIS	2.	2.	2.
MORGAN STANLEY THORNBURG	8.	8.	8.
TIFF K-1	46.	46.	46.
TOTAL TO PART I, LINE 3	1,669.	1,669.	1,669.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
FROST LKCM	51,893.	0.	51,893.	51,893.	51,893.
FROST SEMMES #1	539,627.	0.	539,627.	539,627.	539,627.
FROST SEMMES #2	184,628.	0.	184,628.	184,628.	184,628.
MORGAN STANLEY GIS	22,974.	0.	22,974.	22,974.	22,974.
MORGAN STANLEY THORNBURG	38,602.	0.	38,602.	38,602.	38,602.
TIFF K-1	600.	0.	600.	600.	600.
TIFF MULTI-ASSET	23,588.	0.	23,588.	23,588.	23,588.
VANGUARD	75,977.	0.	75,977.	75,977.	75,977.
TO PART I, LINE 4	937,889.	0.	937,889.	937,889.	937,889.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
OIL & GAS GROSS ROYALTIES	317,411.	317,411.	0.
SABINE ROYALTY TRUST	36,986.	36,986.	0.
TIFF PARTNERS IV, LLC	1,586.	1,586.	0.
MISCELLANEOUS INCOME	423.	423.	0.
TOTAL TO FORM 990-PF, PART I, LINE 11	356,406.	356,406.	0.

FORM 990-PF	ACCOUNTING FEES		STATEMENT 4	
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	14,650.	7,325.	0.	7,325.
TO FORM 990-PF, PG 1, LN 16B	14,650.	7,325.	0.	7,325.

FORM 990-PF	OTHER PROFESSIONAL FEES		STATEMENT 5	
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT FEES	137,096.	137,096.	0.	0.
TO FORM 990-PF, PG 1, LN 16C	137,096.	137,096.	0.	0.

FORM 990-PF	TAXES		STATEMENT 6	
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PRODUCTION TAXES	18,869.	18,869.	0.	0.
FOREIGN TAXES	8,779.	8,673.	0.	0.
AD VALOREM TAXES	19,430.	19,430.	0.	0.
FEDERAL EXCISE TAX	16,149.	0.	0.	0.
TO FORM 990-PF, PG 1, LN 18	63,227.	46,972.	0.	0.

FORM 990-PF	OTHER EXPENSES		STATEMENT 7	
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
OTHER OIL & GAS EXPENSE	2,811.	2,811.	0.	0.
OFFICE	646.	323.	0.	323.
PARTNERSHIP EXP - TIFF	3,260.	3,260.	0.	0.
TO FORM 990-PF, PG 1, LN 23	6,717.	6,394.	0.	323.

FORM 990-PF	OTHER INCREASES IN NET ASSETS OR FUND BALANCES	STATEMENT 8
DESCRIPTION		AMOUNT
PERCENTAGE DEPLETION		53,160.
NONTAXABLE INCOME		66,647.
TOTAL TO FORM 990-PF, PART III, LINE 3		119,807.

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS	STATEMENT 9
DESCRIPTION	U.S. GOV'T OTHER GOV'T BOOK VALUE	FAIR MARKET VALUE
US TREASURY BILLS	X	0.
TOTAL U.S. GOVERNMENT OBLIGATIONS		
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS		
TOTAL TO FORM 990-PF, PART II, LINE 10A		0.

FORM 990-PF	CORPORATE STOCK	STATEMENT 10
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
FROST BANK	13,849,125.	30,202,090.
TIFF INVESTMENT PROGRAM	3,119,097.	2,391,210.
VANGUARD GROUP	1,930,294.	3,856,440.
MORGAN STANLEY	2,464,553.	2,575,668.
TOTAL TO FORM 990-PF, PART II, LINE 10B	21,363,069.	39,025,408.

FORM 990-PF	OTHER ASSETS	STATEMENT 11
DESCRIPTION	BEGINNING OF YR BOOK VALUE END OF YEAR BOOK VALUE	FAIR MARKET VALUE
ROYALTY INTEREST	2,979.	2,979.
INVESTMENT ACCOUNTS RECEIVABLE	0.	3,202.
TO FORM 990-PF, PART II, LINE 15	2,979.	6,181.

FORM 990-PF	OTHER LIABILITIES	STATEMENT 12
DESCRIPTION	BOY AMOUNT	EOY AMOUNT
FEDERAL EXCISE TAX DUE	2,993.	908.
TOTAL TO FORM 990-PF, PART II, LINE 22	2,993.	908.

FORM 990-PF	PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS	STATEMENT 13		
NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
THOMAS R SEMMES 800 NAVARRO, STE 210 SAN ANTONIO, TX 78205	PRESIDENT 15.00	32,500.	0.	0.
D.R. SEMMES 134 KINROSS SAN ANTONIO, TX 78209	VICE PRESIDENT 1.00	2,500.	0.	0.
PATRICIA SEMMES 800 NAVARRO, STE 210 SAN ANTONIO, TX 78205	DIRECTOR 1.00	2,500.	0.	0.
JOHN HANNAH 800 NAVARRO, STE 210 SAN ANTONIO, TX 78205	DIRECTOR 1.00	2,500.	0.	0.
CAROL DUFFELL 800 NAVARRO, STE 210 SAN ANTONIO, TX 78205	SECRETARY 1.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		40,000.	0.	0.

FORM 990-PF

GRANT APPLICATION SUBMISSION INFORMATION
PART XV, LINES 2A THROUGH 2D

STATEMENT 14

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

THOMAS R SEMMES
800 NAVARRO, SUITE 210
SAN ANTONIO, TX 78205

TELEPHONE NUMBER

210-225-0887

FORM AND CONTENT OF APPLICATIONS

CONCISE WRITTEN PROPOSALS. MUST SHOW EXEMPT STATUS.

ANY SUBMISSION DEADLINES

NONE

RESTRICTIONS AND LIMITATIONS ON AWARDS

GENERALLY SAN ANTONIO AREA. NO INDIVIDUAL GRANTS, LOANS. THE MAJORITY OF CONTRIBUTIONS ARE IN AREAS OF INTEREST, OR INSTITUTIONS SPECIFIED BY THE BOARD OF DIRECTORS.