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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 REED CHARITABLE FOUNDATION		A Employer identification number 75-2663460
Number and street (or P.O. box number if mail is not delivered to street address) P.O. BOX 2169	Room/suite	B Telephone number 972-489-3160
City or town, state or province, country, and ZIP or foreign postal code FRISCO, TX 75034		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) \$ 2,392,834.	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					
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments		28,973.	28,973.	28,973.	STATEMENT 1
4 Dividends and interest from securities		26,941.	25,316.	26,941.	STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		-24,148.			
b Gross sales price for all assets on line 6a	929,094.				
7 Capital gain net income (from Part IV, line 2)					
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income					
12 Total. Add lines 1 through 11		31,766.	54,289.	55,914.	
13 Compensation of officers, directors, trustees, etc.		15,000.	15,000.	15,000.	0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees	STMT 3	2,130.	0.	2,130.	0.
c Other professional fees					
17 Interest					
18 Taxes	STMT 4	424.	0.	0.	0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses	STMT 5	8,668.	8,668.	8,668.	0.
24 Total operating and administrative expenses. Add lines 13 through 23		26,222.	23,668.	25,798.	0.
25 Contributions, gifts, grants paid		321,000.			321,000.
26 Total expenses and disbursements. Add lines 24 and 25		347,222.	23,668.	25,798.	321,000.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		-315,456.			
b Net investment income (if negative, enter -0-)			30,621.		
c Adjusted net income (if negative, enter -0-)				30,116.	

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Part II Balance Sheets <small>Attached schedules and amounts in the description column should be for end-of-year amounts only</small>		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	84,831.	88,147.	88,147.
	2 Savings and temporary cash investments	43,742.	40,388.	40,388.
	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			
	b Investments - corporate stock			
	c Investments - corporate bonds STMT 6	2,574,195.	2,262,198.	2,262,198.
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 7)	5,522.	2,101.	2,101.
	16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)	2,708,290.	2,392,834.	2,392,834.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
Net Assets or Fund Balances	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>			
	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	2,708,290.	2,392,834.	
	30 Total net assets or fund balances	2,708,290.	2,392,834.	
	31 Total liabilities and net assets/fund balances	2,708,290.	2,392,834.	

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 2,708,290.
2 Enter amount from Part I, line 27a	2 -315,456.
3 Other increases not included in line 2 (itemize) ▶	3 0.
4 Add lines 1, 2, and 3	4 2,392,834.
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 2,392,834.

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 BMO HARRIS BANK		VARIOUS	VARIOUS
b BMO HARRIS BANK		VARIOUS	VARIOUS
c CAPITAL GAINS DIVIDENDS			
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 708,666.		736,602.	-27,936.
b 220,250.		216,640.	3,610.
c 178.			178.
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(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			-27,936.
b			3,610.
c			178.
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	-24,148.
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	3,610.

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	373,526.	2,920,002.	.127920
2014	163,125.	3,125,403.	.052193
2013	91,000.	3,141,133.	.028970
2012	82,025.	3,173,656.	.025846
2011	510,910.	3,094,580.	.165098

2 Total of line 1, column (d)	2	.400027
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	.080005
4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	2,569,463.
5 Multiply line 4 by line 3	5	205,570.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	306.
7 Add lines 5 and 6	7	205,876.
8 Enter qualifying distributions from Part XII, line 4	8	321,000.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate.
See the Part VI instructions.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here <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	306.
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	306.
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	306.
6	Credits/Payments:		
a	2016 estimated tax payments and 2015 overpayment credited to 2016	6a	
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	0.
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	306.
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
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input type="checkbox"/> \$ 0. (2) On foundation managers. <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ 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) <input type="checkbox"/> NONE		
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

SEE STATEMENT 8

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?	X	
Website address N/A		
14 The books are in care of JAMES WESLEY REED III Telephone no. 		
Located at 12256 FAIRWAY MEADOWS DR., FORT WORTH, TX ZIP+4 76179		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year 15 N/A		
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?		X
See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country 		

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	N/A	
Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>		
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?		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. 		
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	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		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?		X

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

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

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

N/A

Organizations relying on a current notice regarding disaster assistance check here

☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

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

6b

X

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

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
LYLE D. REED	ADVISORY COMMITTEE			
P.O. BOX 2169				
FRISCO, TX 75034	1.00	0.	0.	0.
NELLIE ROSALIE REED	ADVISORY COMMITTEE			
P.O. BOX 2169				
FRISCO, TX 75034	1.00	0.	0.	0.
JAMES W. REED III	TRUSTEE			
12256 FAIRWAY MEADOWS DR.				
FORT WORTH, TX 76179	1.00	15,000.	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

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)*
3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services

0

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	

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	2,461,198.
b	Average of monthly cash balances	1b	145,293.
c	Fair market value of all other assets	1c	2,101.
d	Total (add lines 1a, b, and c)	1d	2,608,592.
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	2,608,592.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	39,129.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,569,463.
6	Minimum investment return. Enter 5% of line 5	6	128,473.

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	128,473.
2a	Tax on investment income for 2016 from Part VI, line 5	2a	306.
b	Income tax for 2016. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	306.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	128,167.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	128,167.
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	128,167.

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	321,000.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	321,000.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	306.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	320,694.

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				128,167.
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2016:				
a From 2011	139,530.			
b From 2012				
c From 2013				
d From 2014	8,119.			
e From 2015	228,374.			
f Total of lines 3a through e	376,023.			
4 Qualifying distributions for 2016 from Part XII, line 4: ▶ \$	321,000.			
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				128,167.
e Remaining amount distributed out of corpus	192,833.			
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.	568,856.			
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
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				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	139,530.			
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a	429,326.			
10 Analysis of line 9				
a Excess from 2012				
b Excess from 2013				
c Excess from 2014	8,119.			
d Excess from 2015	228,374.			
e Excess from 2016	192,833.			

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)

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

b 85% of line 2a

c Qualifying distributions from Part XII, line 4 for each year listed

d Amounts included in line 2c not used directly for active conduct of exempt activities

e Qualifying distributions made directly for active conduct of exempt activities.

Subtract line 2d from line 2c

3 Complete 3a, b, or c for the alternative test relied upon:

a "Assets" alternative test - enter:

(1) Value of all assets

(2) Value of assets qualifying under section 4942(j)(3)(B)(i)

b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed

c "Support" alternative test - enter:

(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)

(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)

(3) Largest amount of support from an exempt organization

(4) Gross investment income

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year-see instructions.)**1 Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ☒ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number or e-mail address of the person to whom applications should be addressed:

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

c Any submission deadlines:

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

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
COKER COLLEGE	NONE	PC	EDUCATION	5,000.
GRAD RESOURCES	NONE	PC	EDUCATION	5,000.
OHIO CHRISTIAN UNIVERSITY	NONE	PC	EDUCATION	100,000.
OK WESLEYAN UNIV	NONE	PC	EDUCATION	5,000.
NO TIE CLUB	NONE	PC	EDUCATION	5,000.
Total	SEE CONTINUATION SHEET(S)			321,000.
b Approved for future payment				
NONE				
Total				0.

REED CHARITABLE FOUNDATION

75-2663460

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
DRURY UNIVERSTIY	NONE	PC	EDUCATION	201,000.
Total from continuation sheets				201,000.

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
HARRIS TRUST & SAVINGS BANK	28,973.	28,973.	28,973.
TOTAL TO PART I, LINE 3	28,973.	28,973.	28,973.

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
HARRIS TRUST & SAVINGS BANK	27,119.	178.	26,941.	25,316.	26,941.
TO PART I, LINE 4	27,119.	178.	26,941.	25,316.	26,941.

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	1,930.	0.	1,930.	0.
HARRIS BANK	200.	0.	200.	0.
TO FORM 990-PF, PG 1, LN 16B	2,130.	0.	2,130.	0.

FORM 990-PF TAXES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAX PAID WITH PRIOR YEAR RETURN	424.	0.	0.	0.
TO FORM 990-PF, PG 1, LN 18	424.	0.	0.	0.

FORM 990-PF	OTHER EXPENSES			STATEMENT 5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
AGENCY FEES	8,551.	8,551.	8,551.	0.
INVESTMENT EXPENSES	117.	117.	117.	0.
TO FORM 990-PF, PG 1, LN 23	8,668.	8,668.	8,668.	0.

FORM 990-PF	CORPORATE BONDS		STATEMENT 6
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE	
BONDS AND NOTES	2,262,198.	2,262,198.	
TOTAL TO FORM 990-PF, PART II, LINE 10C	2,262,198.	2,262,198.	

FORM 990-PF	OTHER ASSETS		STATEMENT 7
DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
DIVIDEND RECEIVABLE	2,000.	1,792.	1,792.
ACCRUED INTEREST	3,522.	309.	309.
TO FORM 990-PF, PART II, LINE 15	5,522.	2,101.	2,101.

FORM 990-PF	EXPLANATION CONCERNING PART VII-A, LINE 8B	STATEMENT 8
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EXPLANATION

NOT REQUIRED

2016 Tax Information Statement

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Recipient's Name and Address:
REED CHARITABLE FOUNDATION
C/O JAMES W. REED III, TRUSTEE
4967 N. FM 730
DECATUR, TX 76234

Account Number: 110011035021
Recipient's Tax ID Number: XX-XXX3460

BMO HARRIS BANK N.A.
111 WEST MONROE STREET 10C
CHICAGO, IL 60603

☐ Corrected ☐ FATCA ☐ 2nd TIN notice

2016 Proceeds from Broker and Barter Exchange Transactions

Sales are listed at Gross Proceeds less commissions and option premiums.
Cost or Other Basis amounts shown with a "U" are unknown or unsubstantiated.

Description of property

Cusip Number	Date Sold or Disposed	Date Acquired	Proceeds	Cost or Other Basis	Market Discount	Wash Loss Disallowed	Net Gain or Loss	Ordinary	Federal Income Tax Withheld	State Tax Withheld
Short Term Sales										
100000.0	BOTTLING GROUP LLC 5.125%	1/15/19								
10138MAK1	11/07/2016	10/04/2016	108,208.00	108,208.00			0.00		0.00	0.00
50000.0	DANAHER CORP 5.400%	3/01/19								
235851AH5	08/15/2016	04/25/2016	55,297.50	51,687.50			3,610.00		0.00	0.00
50000.0	TJX COS INC 6.950%	4/15/19								
872540AM1	10/12/2016	08/04/2016	56,744.57	56,744.57			0.00		0.00	0.00
Total Short Term Sales			220,250.07	216,640.07	0.00	0.00	3,610.00		0.00	0.00

Long Term Sales										
150000.0	BHP FINANCE USA 1.875%	11/21/16								
055451AK4	11/21/2016	Various	150,000.00	155,066.00			-5,066.00		0.00	0.00
100000.0	BP CAPITAL PLC 3.200%	3/11/16								
055650BQ0	03/11/2016	03/27/2012	100,000.00	106,143.00			-6,143.00		0.00	0.00
100000.0	CATERPILLAR FINL MTN 2.050%	8/01/16								
14912L4X6	08/01/2016	09/20/2013	100,000.00	102,871.00			-2,871.00		0.00	0.00
74.59	FHLMC GD PL #G08156	6.000%	10/01/36							
3128MJE63	01/31/2016	10/12/2006	74.59	74.87			-0.28		0.00	0.00

This is important tax information and is being furnished to you



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4967 N. FM 730
DECATUR, TX 76234

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BMO HARRIS BANK N.A.
111 WEST MONROE STREET 10C
CHICAGO, IL 60603

☐ Corrected ☐ FATCA ☐ 2nd TIN notice

Sales are listed at Gross Proceeds less commissions and option premiums.
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Description of property				Date Sold or Disposed	Date Acquired	Proceeds	Cost or Other Basis	Market Discount	Wash Loss Disallowed	Net Gain or Loss	Federal Income Tax		State Tax Withheld
Cusip Number											Withheld		
142.72	FHLMC GD PL #G08156	6.000%	10/01/36										
3128MJE63	03/15/2016	10/12/2006	142.72	143.26						-0.54	0.00		0.00
187.47	FHLMC GD PL #G08156	6.000%	10/01/36										
3128MJE63	04/15/2016	10/12/2006	187.47	188.17						-0.70	0.00		0.00
244.77	FHLMC GD PL #G08156	6.000%	10/01/36										
3128MJE63	05/15/2016	10/12/2006	244.77	245.69						-0.92	0.00		0.00
85.25	FHLMC GD PL #G08156	6.000%	10/01/36										
3128MJE63	06/15/2016	10/12/2006	85.25	85.57						-0.32	0.00		0.00
104.79	FHLMC GD PL #G08156	6.000%	10/01/36										
3128MJE63	07/15/2016	10/12/2006	104.79	105.18						-0.39	0.00		0.00
166.45	FHLMC GD PL #G08156	6.000%	10/01/36										
3128MJE63	08/15/2016	10/12/2006	166.45	167.07						-0.62	0.00		0.00
170.45	FHLMC GD PL #G08156	6.000%	10/01/36										
3128MJE63	09/15/2016	10/12/2006	170.45	171.09						-0.64	0.00		0.00
112.03	FHLMC GD PL #G08156	6.000%	10/01/36										
3128MJE63	10/15/2016	10/12/2006	112.03	112.45						-0.42	0.00		0.00
236.87	FHLMC GD PL #G08156	6.000%	10/01/36										
3128MJE63	11/15/2016	10/12/2006	236.87	237.76						-0.89	0.00		0.00

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4967 N. FM 730
DECATUR, TX 76234

Account Number: 110011035021
Recipient's Tax ID Number: XX-XXX3460

BMO HARRIS BANK N.A.
111 WEST MONROE STREET 10C
CHICAGO, IL 60603

☐ Corrected ☐ FATCA ☐ 2nd TIN notice

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Description of property

Cusip Number	Date Sold or Disposed	Date Acquired	Proceeds	Cost or Other Basis	Market Discount	Wash Loss Disallowed	Net Gain or Loss	Ordinary	Federal Income Tax Withheld	State Tax Withheld
169.86	FHLMC GD PL #G08156	6.000% 10/01/36								
3128MJ563	12/15/2016	10/12/2006	169.86	170.50			-0.64		0.00	0.00
112.22	FHLMC GD PL #G08156	6.000% 10/01/36								
3128MJ563	12/31/2016	10/12/2006	112.22	112.64			-0.42		0.00	0.00
95.89	GOVERNMENT NATIONAL MTG ASSN PASS THRU CTF POOL NO 448661						0.00		0.00	0.00
36208EMJ9	01/31/2016	04/23/1997	95.89	95.89			0.00		0.00	0.00
96.53	GOVERNMENT NATIONAL MTG ASSN PASS THRU CTF POOL NO 448661						0.00		0.00	0.00
36208EMJ9	03/15/2016	04/23/1997	96.53	96.53			0.00		0.00	0.00
97.18	GOVERNMENT NATIONAL MTG ASSN PASS THRU CTF POOL NO 448661						0.00		0.00	0.00
36208EMJ9	04/15/2016	04/23/1997	97.18	97.18			0.00		0.00	0.00
97.82	GOVERNMENT NATIONAL MTG ASSN PASS THRU CTF POOL NO 448661						0.00		0.00	0.00
36208EMJ9	05/15/2016	04/23/1997	97.82	97.82			0.00		0.00	0.00
98.48	GOVERNMENT NATIONAL MTG ASSN PASS THRU CTF POOL NO 448661						0.00		0.00	0.00
36208EMJ9	06/15/2016	04/23/1997	98.48	98.48			0.00		0.00	0.00
99.14	GOVERNMENT NATIONAL MTG ASSN PASS THRU CTF POOL NO 448661						0.00		0.00	0.00
36208EMJ9	07/15/2016	04/23/1997	99.14	99.14			0.00		0.00	0.00
5638.55	GOVERNMENT NATIONAL MTG ASSN PASS THRU CTF POOL NO 448661						0.00		0.00	0.00
36208EMJ9	08/15/2016	04/23/1997	5,638.55	5,638.55			0.00		0.00	0.00

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C/O JAMES W. REED III, TRUSTEE
4967 N. FM 730
DECATUR, TX 76234

Account Number: 110011035021
Recipient's Tax ID Number: XX-XXX3460

BMO HARRIS BANK N.A.
111 WEST MONROE STREET 10C
CHICAGO, IL 60603

☐ Corrected ☐ FATCA ☐ 2nd TIN notice

Sales are listed at Gross Proceeds less commissions and option premiums.
Cost or Other Basis amounts shown with a "U" are unknown or unsubstantiated.

Description of property

Cusip Number	Date Sold or Disposed	Date Acquired	Proceeds	Cost or Other Basis	Market Discount	Wash Loss Disallowed	Net Gain or Loss	Federal Income Tax Withheld	State Tax Withheld
73.23	GOVERNMENT NATIONAL MTG ASSN PASS THRU CTF POOL NO 448661								
36208EMJ9	09/15/2016	04/23/1997	73.23	73.23			0.00	0.00	0.00
73.72	GOVERNMENT NATIONAL MTG ASSN PASS THRU CTF POOL NO 448661								
36208EMJ9	10/15/2016	04/23/1997	73.72	73.72			0.00	0.00	0.00
74.21	GOVERNMENT NATIONAL MTG ASSN PASS THRU CTF POOL NO 448661								
36208EMJ9	11/15/2016	04/23/1997	74.21	74.21			0.00	0.00	0.00
74.71	GOVERNMENT NATIONAL MTG ASSN PASS THRU CTF POOL NO 448661								
36208EMJ9	12/15/2016	04/23/1997	74.71	74.71			0.00	0.00	0.00
75.2	GOVERNMENT NATIONAL MTG ASSN PASS THRU CTF POOL NO 448661								
36208EMJ9	12/31/2016	04/23/1997	75.20	75.20			0.00	0.00	0.00
100000.0	INTEL CORP 1.950% 10/01/16								
458140AH3	10/01/2016	01/16/2013	100,000.00	103,852.00			-3,852.00	0.00	0.00
100000.0	OCCIDENTAL PETROLEUM 4.125% 6/01/16								
674599BX2	06/01/2016	10/22/2013	100,000.00	108,581.00			-8,581.00	0.00	0.00
50000.0	THERMO FISHER SCI 2.250% 8/15/16								
883556BA9	04/19/2016	10/22/2012	50,278.00	52,064.50			-1,786.50	0.00	0.00
6080.449	VANGUARD FIXED INCOME SECS FD SHORT TERM CORP FD ADMIRAL SHS								
922031836	05/27/2016	09/01/2011	65,000.00	65,243.22			-243.22	0.00	0.00

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☐ Corrected ☐ FATCA ☐ 2nd TIN notice

BMO HARRIS BANK N.A.
111 WEST MONROE STREET 10C
CHICAGO, IL 60603

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Description of property

Cusip Number	Date Sold or Disposed	Date Acquired	Proceeds	Cost or Other Basis	Market Discount	Wash Loss Disallowed	Net Gain or Loss	Ordinary	Federal Income Tax Withheld	State Tax Withheld
2793.296	VANGUARD FIXED INCOME SECS FD SHORT TERM CORP FD ADMIRAL SHS									
922031836	06/14/2016	09/01/2011	30,000.00	29,972.07			27.93		0.00	0.00
461.255	VANGUARD INFLATION-PROTECTED SECS-IS									
922031745	06/14/2016	06/08/2009	4,986.17	4,400.37			585.80		0.00	0.00
Total Long Term Sales			708,666.30	736,602.07	0.00	0.00	-27,935.77		0.00	0.00

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