

Form 990-PF

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

OMB No 1545-0052

Department of the Treasury  
Internal Revenue Service► Do not enter social security numbers on this form as it may be made public.  
► Information about Form 990-PF and its separate instructions is at [www.irs.gov/form990pf](http://www.irs.gov/form990pf).1612  
2016

Open to Public Inspection

For calendar year 2016 or tax year beginning , and ending

Name of foundation

SAUNDERS FOUNDATION

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

602 SAWYER STREET SUITE 720

Room/suite

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

HOUSTON TX 77007

G Check all that apply

<input type="checkbox"/> Initial return	<input type="checkbox"/> Initial return of a former public charity
<input type="checkbox"/> Final return	<input type="checkbox"/> Amended return
<input type="checkbox"/> Address change	<input type="checkbox"/> Name change

H Check type of organization  Section 501(c)(3) exempt private foundation Section 4947(a)(1) nonexempt charitable trust  Other taxable private foundationI Fair market value of all assets at  
end of year (from Part II, col (c),  
line 16) ► \$ 5,889,878J Accounting method  Cash  Accrual  
 Other (specify)

A Employer identification number

76-0574880

B Telephone number (see instructions)

713-914-9778

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)
1	Contributions, gifts, grants, etc., received (attach schedule)				
2	Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments	1,237	1,237		
4	Dividends and interest from securities	129,755	129,755		
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	193,490			
b	Gross sales price for all assets on line 6a	528,785			
7	Capital gain net income (from Part IV, line 2)		193,490		
8	Net short-term capital gain			0	
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)	STMT 1	-1,995		
12	Total. Add lines 1 through 11		322,487	324,482	0
13	Compensation of officers, directors, trustees, etc		0		
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule)	STMT 2	4,761		
c	Other professional fees (attach schedule)				
17	Interest				
18	Taxes (attach schedule) (see instructions)	STMT 3	16,489	1,716	
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings		2,048		2,048
22	Printing and publications				
23	Other expenses (att. sch.)	STMT 4	11,030	10,978	
24	Total operating and administrative expenses.				
	Add lines 13 through 23		34,328	12,694	0 2,048
25	Contributions, gifts, grants paid		90,567		90,567
26	Total expenses and disbursements. Add lines 24 and 25		124,895	12,694	0 92,615
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements		197,592		
b	Net investment income (if negative, enter -0-)		311,788		
c	Adjusted net income (if negative, enter -0-)			0	

For Paperwork Reduction Act Notice, see instructions.

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76-0574880

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Assets	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
1	Cash – non-interest-bearing				
2	Savings and temporary cash investments		392,397	486,440	486,440
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 (att schedule) ► SEE WRK	3,992	0	19,167	3,992
	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) SEE STMT 5		5,061,356	5,307,031	5,307,031
c	Investments – corporate bonds (attach schedule)				
11	Investments – land, buildings, and equipment basis ►				
	Less accumulated depreciation (attach sch) ►				
12	Investments – mortgage loans				
13	Investments – other (attach schedule) SEE STATEMENT 6		186,962	75,293	91,254
14	Land, buildings, and equipment basis ► 3,619		3,619		
	Less accumulated depreciation (attach sch) ► STMT 7 3,619				
15	Other assets (describe ► SEE STATEMENT 8 )		1,161	1,161	1,161
16	Total assets (to be completed by all filers – see the instructions Also, see page 1, item I)		5,661,043	5,873,917	5,889,878
Liabilities					
17	Accounts payable and accrued expenses		3,784	3,784	
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 ► )		3,784	3,784	
23	Total liabilities (add lines 17 through 22)				
Net Assets or Fund Balances					
24	Unrestricted				
25	Temporarily restricted				
26	Permanently restricted				
27	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ► <input type="checkbox"/>				
28	Capital stock, trust principal, or current funds				
29	Paid-in or capital surplus, or land, bldg , and equipment fund				
30	Retained earnings, accumulated income, endowment, or other funds		5,657,259	5,870,133	
31	Total net assets or fund balances (see instructions)		5,657,259	5,870,133	
	Total liabilities and net assets/fund balances (see instructions)		5,661,043	5,873,917	

## 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	5,657,259
2	Enter amount from Part I, line 27a	2	197,592
3	Other increases not included in line 2 (itemize) ► SEE STATEMENT 9	3	91,452
4	Add lines 1, 2, and 3	4	5,946,303
5	Decreases not included in line 2 (itemize) ► SEE STATEMENT 10	5	76,170
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	5,870,133

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**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)
<b>1a SEE WORKSHEET</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
(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)		
<b>a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
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))		
(l) F M V as of 12/31/69	(l) Adjusted basis as of 12/31/69	(k) Excess of col. (l) over col. (j), if any			
<b>a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					
<b>2 Capital gain net income or (net capital loss)</b>	<div style="display: flex; align-items: center; justify-content: space-between;"> <span>If gain, also enter in Part I, line 7</span> <span>If (loss), enter -0- in Part I, line 7</span> </div>		<b>2</b>	193,490	
<b>3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)</b>			<b>3</b>	8,692	
If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8					

**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	1,517,094	5,874,980	0.258230
2014	261,488	6,879,589	0.038009
2013	277,296	5,920,021	0.046840
2012	200,680	4,975,814	0.040331
2011	241,146	4,824,602	0.049983

2 Total of line 1, column (d) **2** 0.433393

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** 0.086679

4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5 **4** 5,439,713

5 Multiply line 4 by line 3 **5** 471,509

6 Enter 1% of net investment income (1% of Part I, line 27b) **6** 3,118

7 Add lines 5 and 6 **7** 474,627

8 Enter qualifying distributions from Part XII, line 4 **8** 92,615

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)	1	6,236
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input type="checkbox"/> and enter 1% of Part I, line 27b	2	0
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)	3	6,236
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0)	4	0
3	Add lines 1 and 2	5	6,236
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0)		
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3 If zero or less, enter -0		
6	<b>Credits/Payments</b>		
a	2016 estimated tax payments and 2015 overpayment credited to 2016	6a	6,000
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	6,000
8	Enter any <b>penalty</b> for underpayment of estimated tax Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	30
9	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b>	9	266
10	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b>	10	
11	Enter the amount of line 10 to be <b>Credited to 2017 estimated tax</b> ►	Refunded	► 11

**Part VII-A Statements Regarding Activities**

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?	Yes	No
1a		X	
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	Yes	No
1b		X	
1c	<i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>	Yes	No
1c		X	
2	Did the foundation file Form 1120-POL for this year?	Yes	No
2		X	
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year		
(1)	On the foundation ► \$ _____	(2)	On foundation managers ► \$ _____
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ _____		
2	Has the foundation engaged in any activities that have not previously been reported to the IRS?	Yes	No
2		X	
3	<i>If "Yes," attach a detailed description of the activities</i>		
3		X	
4a	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? <i>If "Yes," attach a conformed copy of the changes</i>		
4a		X	
4b	Did the foundation have unrelated business gross income of \$1,000 or more during the year?		
4b		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? <i>If "Yes," attach the statement required by General Instruction T</i>		
5		X	
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either		
6		X	
6	• By language in the governing instrument, or		
6	• 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?		
7	Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>		
7		X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ►		
8a	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? <i>If "No," attach explanation</i>		
8b		X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>		
9		X	
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		
10		X	

**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	Yes	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		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	N/A	13	
14	The books are in care of ► STUART SAUNDERS 602 SAWYER ST SUITE 720	Telephone no ► 713-914-9778		
	Located at ► HOUSTON TX	ZIP+4 ► 77007		
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		
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 ►	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?	<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)? Organizations relying on a current notice regarding disaster assistance check here	N/A	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?	N/A	1c	
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? If "Yes," list the years ► 20 , 20 , 20 , 20	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement – see instructions)	N/A	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20 , 20 , 20 , 20			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/>	Yes	<input 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?			
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?			

## 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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? Organizations relying on a current notice regarding disaster assistance check here	N/A	<input type="checkbox"/>	5b
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? <i>If "Yes," attach the statement required by Regulations section 53.4945-5(d)</i>	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No	
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		6b
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <i>If "Yes" to 6b, file Form 8870</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		X
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
FREDERIC M SAUNDERS 515 HUNTERWOOD	HOUSTON TX 77024	DIRECTOR 0.50	0	0
GAYLE D SAUNDERS 515 HUNTERWOOD	HOUSTON TX 77024	DIRECTOR 0.50	0	0
MEREDITH S MASON 2401 HATLEY	AUSTIN TX 78746	DIRECTOR 0.50	0	0
STUART D SAUNDERS 8 SADDLEBROOK LANE	HOUSTON TX 77024	DIRECTOR 0.50	0	0

## 2 Compensation of five highest-paid employees (other than those included on line 1 – see instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
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 (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 ►

**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 (see instructions)**

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 ►

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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	4,425,816
b	Average of monthly cash balances	1b	1,085,052
c	Fair market value of all other assets (see instructions)	1c	11,683
d	<b>Total</b> (add lines 1a, b, and c)	1d	5,522,551
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	5,522,551
4	Cash deemed held for charitable activities Enter 1% of line 3 (for greater amount, see instructions)	4	82,838
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3 Enter here and on Part V, line 4	5	5,439,713
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	271,986

**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	271,986
2a	Tax on investment income for 2016 from Part VI, line 5	2a	6,236
b	Income tax for 2016 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	6,236
3	Distributable amount before adjustments Subtract line 2c from line 1	3	265,750
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	265,750
6	Deduction from distributable amount (see instructions)	6	
7	<b>Distributable amount</b> as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	265,750

**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	92,615
b	Program-related investments – total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the	3a	
a	Suitability test (prior IRS approval required)	3b	
b	Cash distribution test (attach the required schedule)	4	92,615
4	<b>Qualifying distributions.</b> Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	5	0
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)	6	92,615
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4		

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				265,750
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only				
b Total for prior years 20 ____ , 20 ____ , 20 ____				
3 Excess distributions carryover, if any, to 2016				
a From 2011				
b From 2012				
c From 2013				
d From 2014				
e From 2015	1,144,604			
f Total of lines 3a through e	1,144,604			
4 Qualifying distributions for 2016 from Part XII, line 4 ► \$ 92,615				
a Applied to 2015, but not more than line 2a				
b Applied to undistributed income of prior years (Election required – see instructions)				
c Treated as distributions out of corpus (Election required – see instructions)				
d Applied to 2016 distributable amount				92,615
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a))	173,135			173,135
6 Enter the net total of each column as indicated below:	971,469			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount – see instructions				
e Undistributed income for 2015 Subtract line 4a from line 2a Taxable amount – see instructions				
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)				
8 Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a	971,469			
10 Analysis of line 9				
a Excess from 2012				
b Excess from 2013				
c Excess from 2014				
d Excess from 2015	971,469			
e Excess from 2016				

**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				►	<input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)
b	Check box to indicate whether the foundation is a private operating foundation described in section					
2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed				(e) Total	
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)(ii) (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))  
N/A

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  
N/A

**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  
N/A

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

c Any submission deadlines  
N/A

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

**Part XV Supplementary Information (continued)****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
<b>Name and address (home or business)</b>				
<i>a Paid during the year</i> SEE STATEMENT 11				90,567
<b>Total</b>			► 3a	90,567
<i>b Approved for future payment</i> N/A				
<b>Total</b>			► 3b	

Part XVI-A Analysis of Income-Producing Activities

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			14	1,237	
4 Dividends and interest from securities			14	129,755	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			14	193,490	0
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b ORDIN BUSINES INCOME FROM K-1	211110	-2,227			
c SEC 1231 GAIN/ (LOSS) FROM K1S	211110	232			
d					
e					
12 Subtotal Add columns (b), (d), and (e)		-1,995		324,482	0
13 Total. Add line 12, columns (b), (d), and (e)			13		322,487
(See worksheet in line 13 instructions to verify calculations)					

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions )
N/A	

**Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations**

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		

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 instructions)?  Yes  No

**Sign  
Here**

 S. M. Saunders  
Signature of officer or teacher

11/8/18

Date \_\_\_\_\_

DIRECTOR

Title

Signature of officer or trustee		Date	File
<b>Paid Preparer Use Only</b>	Print/Type preparer's name  JEAN M CALLOWAY	Preparer's signature  	Date 11/30/17
	Firm's name ► CALLOWAY, STINSON & CO., P.C.	PTIN P01404412	
	Firm's address ► 8554 KATY FREEWAY SUITE 110 HOUSTON, TX 77024	Firm's EIN ► 74-2130498 Phone no 713-468-4133	

## Capital Gains and Losses for Tax on Investment Income

Form 990-PF

2016

For calendar year 2016, or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

Name

Employer Identification Number

SAUNDERS FOUNDATION

76-0574880

(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.)
(1) SECURITIES SOLD THRU INTERACTIVE		P		
(2) SECURITIES SOLD THRU INTERACTIVE		P		
(3) SECURITIES SOLD THRU CHILTON		P		
(4) SECURITIES SOLD THRU CHILTON		P		
(5) SECURITIES SOLD THRU CHILTON		P		
(6) C/G - CHILTON CAPITAL				
(7) C/G - INTERACTIVE BROKER				
(8)				
(9)				
(10)				
(11)				
(12)				
(13)				
(14)				
(15)				

(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)
(1) 2,676		89	2,587
(2) 37,267		7,459	29,808
(3) 61,970		55,865	6,105
(4) 297,124		235,989	61,135
(5) 103,799		35,893	67,906
(6) 23,882			23,882
(7) 1,817			1,817
(8) 250			250
(9)			
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			

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	
(1)			2,587
(2)			29,808
(3)			6,105
(4)			61,135
(5)			67,906
(6)			23,882
(7)			1,817
(8)			250
(9)			
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			

Form <b>990-PF</b>		Other Notes and Loans Receivable		<b>2016</b>
		For calendar year 2016, or tax year beginning _____, and ending _____		
Name				Employer Identification Number
<u>SAUNDERS FOUNDATION</u>				<u>76-0574880</u>

FORM 990-PF, PART II, LINE 7 - ADDITIONAL INFORMATION

Name of borrower		Relationship to disqualified person
(1) <u>GEORGE THOMAS 502 FREEPORT</u>		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year	Fair market value
(1)	19,167	3,992	3,992
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
Totals	19,167	3,992	3,992

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FYE 12/31/2016

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#### Statement 1 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
ORDIN BUSINES INCOME FROM K-1 SEC 1231 GAIN/ (LOSS) FROM K1S	\$ -2,227 232	\$ _____	\$ _____
TOTAL	\$ -1,995	\$ 0	\$ 0

#### Statement 2 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Chantable Purpose
INDIRECT ACCOUNTING FEES	\$ 4,761	\$ _____	\$ _____	\$ _____
TOTAL	\$ 4,761	\$ 0	\$ 0	\$ 0

#### Statement 3 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Chantable Purpose
FOREIGN TAXES FROM K-1S	\$ 133	\$ 133	\$ _____	\$ _____
FOREIGN TAXES PAID ON DIVIDEND I	1,583	1,583		
OTHER TAXES	14,773			
TOTAL	\$ 16,489	\$ 1,716	\$ 0	\$ 0

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#### Statement 4 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Chantable Purpose
EXPENSES				
INVESTMENT FEES CHILTON	10,156	10,156		
INVESTMENT FEES INTERACTIVE	25	25		
ANNUAL FEE UBS	150	150		
OTHER EXPENSES FROM K-1S	585	585		
MISCELLANEOUS FEES	114	62		
TOTAL	\$ 11,030	\$ 10,978	\$ 0	\$ 0

#### Statement 5 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
UBS FINANCIAL SERVICES #52986	\$ 2,151,635	\$ 2,151,290		\$ 2,151,290
SALIENT TRUST #771700	173,767	152,639		152,639
INTERACTIVE BROKERS	1,024,513	1,144,581		1,144,581
CHILTON CAPITAL MANAGEMENT #007564	1,711,441	1,858,521		1,858,521
TOTAL	\$ 5,061,356	\$ 5,307,031		\$ 5,307,031

#### Statement 6 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
EL PASO PIPELINE + STC NEGATIVE	\$ 49,267		COST	
ENTERPRISE PRODUCTS PARTNERS	16,432	11,781	COST	\$ 11,781
KINDER MORGAN ENERGY PARTNERS	26,903		COST	
PLAINS ALL AMERICAN	26,374	4,635	COST	20,863
MAGELLAN MIDSTREAM	67,986	58,877	COST	58,610
TOTAL	\$ 186,962	\$ 75,293		\$ 91,254

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### Federal Statements

#### Statement 7 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
DELL COMPUTER	\$	\$ 1,432	\$ 1,432	\$
SOFTWARE		253	253	
MACBOOKS COMPUTER		1,934	1,934	
TOTAL	\$ 0	\$ 3,619	\$ 3,619	\$ 0

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## Federal Statements

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### Statement 8 - Form 990-PF, Part II, Line 15 - Other Assets

Description	Beginning of Year	End of Year	Fair Market Value
ARTWORK	\$ 1,161	\$ 1,161	\$ 1,161
TOTAL	\$ 1,161	\$ 1,161	\$ 1,161

### Statement 9 - Form 990-PF, Part III, Line 3 - Other Increases

Description	Amount
FMV ADJUSTMENT	\$ 91,452
TOTAL	\$ 91,452

### Statement 10 - Form 990-PF, Part III, Line 5 - Other Decreases

Description	Amount
EL PASO PIPELINE	\$ 49,267
KINDER MORGAN	26,903
TOTAL	\$ 76,170

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#### Statement 11 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year

Name	Address	Relationship	Address	Status	Purpose	Amount
JOSE AVILEA	HOUSTON TX 77063	NONE	C/O 602 SAWYER ST	STUDENT	COLLEGE SCHOLARSHIP	3,965
CATHY YBARRA	HOUSTON TX 77063	NONE	C/O 602 SAWYER ST	STUDENT	COLLEGE SCHOLARSHIP	3,000
LISSETH GARCIA	HOUSTON TX 77063	NONE	C/O 602 SAWYER ST	STUDENT	COLLEGE SCHOLARSHIP	10,430
SONYA VILLEGRAS	HOUSTON TX 77063	NONE	C/O 602 SAWYER ST	STUDENT	COLLEGE SCHOLARSHIP	3,221
ALZHEIMER'S ASSOCIATION	HOUSTON TX 77030		2242 W HOLCOMBE BLVD		MEDICAL RESEARCH	100
AMERICAN CANCER SOCIETY	HOUSTON TX 77063	NONE	C/O 602 SAWYER ST	CHARITY	MEDICAL RESEARCH	250
BROOKWOOD COMMUNITY	BROOKSHIRE TX 77423	NONE	1752 FM 1489	PUBLIC CHARI GENERAL	PHILANTHROPIC	600
CODY STEPHENS GO BIG OR GO HOME	HOUSTON TX 77015	NONE	12723 WOODFOREST BLVD	PUBLIC CHARI MEDICAL		6,000
DRUG POLICY ALLIANCE	HOUSTON TX 77063	NONE	C/O 602 SAWYER ST	CHARITY	HEALTH	100
EAST WACO GREENWOOD CEMETERY	WACO TX 76706	NONE	PO BOX 154115	PUBLIC CHARI CEMETERY		100
FIRST UNITED METHODIST CHURCH	MISSION TX 78572	NONE	1101	PUBLIC CHARI RELIGIOUS		2,000
HOSPICE AUSTIN	AUSTIN TX 78759	NONE	4107 SPICEWOOD SPRINGS RD			10,000
HOSPICE BRAZOS VALLEY	BRYAN TX 77803	NONE	502 W 26TH STREET	CHARITY		200
HOUSTON AREA PARKINSON	HOUSTON TX 77063	NONE	C/O 602 SAWYER ST	CHARITY		200
HOUSTON HOSPICE	HOUSTON TX 77030	NONE	1905 HOLCOMBE BLVD	PUBLIC CHARI MEDICAL RESEARCH		200
HOUSTON PANHELLENIC FOUND	HOUSTON TX 77057	NONE	CHARITY	CHARITY		100
HOUSTON PUBLIC MEDIA	HOUSTON TX 77063	NONE	BOX 342, 5868 A-1 WESTHEI	UNIVERSITY	EDUCATION	2,000
			C/O 602 SAWYER ST	CHARITY	GENERAL PHILANTROPY	100

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#### Statement 11 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)

Name	Address	Relationship	Status	Purpose	Amount
INSTITUTE OF SHIPBOARD EDUCATION PITTSBURG PA 15260	811 WILLIAM Pitt, U	NONE	SCHOOL	EDUCATION	2,151
MARIJUANA POLICY FOUNDATION HOUSTON TX 77063	C/O 602 SAWYER ST	NONE	CHARITY	PUBLIC HEALTH	900
MEMORIAL HEALTH CARE SYSTEM FOUNDAT CHATTANOOGA TN 37404	2525 DE SALES AVENUE	NONE	HOSPITAL	MEDICAL	100
MISSION HISTORICAL MUSEUM HOUSTON TX 77063	C/O 602 SAWYER ST	NONE	CHARITY	MUSEUM	150
NORTH SHORE ROTARY CHARITABLE FDN HOUSTON TX 77213	PO BOX 9635	NONE	PUBLIC CHARI	EDUCATION	1,700
OTICCC HOUSTON TX 77063	C/O 602 SAWYER ST	NONE	CHARITY	GENERAL PHILANTHROPY	1,000
PINES PRESBYTERIAN CHURCH HOUSTON TX 77024	12751 KIMBERLY LANE	NONE	CHURCH	RELIGIOUS	100
RICE UNIVERSITY HOUSTON TX 77005	SOUTH MAIN	NONE	UNIVERITY	EDUCATION	1,000
ST. JUDES CHILDREN'S RESEARCH HOSPI HOUSTON TX 77063	C/O 602 SAWYER ST	NONE	CHARITY	MEDICAL	1,000
TEXAS CHILDRENS HOSPITAL HOUSTON TX 77063	C/O 602 SAWYER ST		MEDICAL	5,000	
THE CENTER FOUNDATION HOUSTON TX 77019	3550 WEST DALLAS	NONE	PUBLIC CHARI	MENTAL HEALTH	25,000
THE CHILDRENS ASSESSMENT CENTER HOUSTON TX 77005	2500 BOLSOVER	NONE	PUBLIC CHARI	GENERAL PHILANTHROPIC	10,000
CONGREGATION EMANU EL ENDOWMENT HOUSTON TX 77005	1500 SUNSET BLVD		RELIGIOUS		100
TOTAL					<u>90,567</u>