

EXTENDED UNTIL JANUARY 31, 2018 IR-2017-135 HURRICANE HARVEY

Form **990-PF****Return of Private Foundation**  
or Section 4947(a)(1) Trust Treated as Private Foundation

OMB No 1545-0052

**2016**Department of the Treasury  
Internal Revenue ServiceDo 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).

Open to Public Inspection

For calendar year 2016 or tax year beginning , and ending

Name of foundation <b>SAUNDERS FOUNDATION</b>		A Employer identification number <b>76-0574880</b>
Number and street (or P.O. box number if mail is not delivered to street address) <b>602 SAWYER STREET SUITE 720</b>		B Telephone number (see instructions) <b>713-914-9778</b>
City or town, state or province, country, and ZIP or foreign postal code <b>HOUSTON TX 77007</b>		C If exemption application is pending, check here <input type="checkbox"/>
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		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) <b>\$ 5,889,878</b>	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) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	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		
Operating and Administrative Expenses	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.

Form **990-PF** (2016)

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14

Form 990-PF (2016) SAUNDERS FOUNDATION

76-0574880

Page 2

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)			Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value			
Assets	1	Cash – non-interest-bearing					
	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					
		Less allowance for doubtful accounts ▶ 0			19,167	3,992	3,992
	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						
	Less accumulated depreciation (attach sch) ▶ STMT 7 3,619						
15	Other assets (describe ▶ SEE STATEMENT 8 )			1,161	1,161	1,161	
16	<b>Total assets</b> (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 ▶ )					
	23	<b>Total liabilities</b> (add lines 17 through 22)			3,784	3,784	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ <input type="checkbox"/>						
	24	Unrestricted					
	25	Temporarily restricted					
	26	Permanently restricted					
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/>						
	27	Capital stock, trust principal, or current funds					
	28	Paid-in or capital surplus, or land, bldg, and equipment fund					
	29	Retained earnings, accumulated income, endowment, or other funds			5,657,259	5,870,133	
	30	<b>Total net assets or fund balances</b> (see instructions)			5,657,259	5,870,133	
	31	<b>Total liabilities and net assets/fund balances</b> (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	<b>Total net assets or fund balances at end of year</b> (line 4 minus line 5) – Part II, column (b), line 30	6	5,870,133

Form 990-PF (2016)

**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</b> SEE WORKSHEET			
<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

(i) FMV 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))
<b>a</b>			
<b>b</b>			
<b>c</b>			
<b>d</b>			
<b>e</b>			

  

<b>2</b> Capital gain net income or (net capital loss) <span style="border: 1px solid black; padding: 2px;">If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7</span>	<b>2</b>	193,490
<b>3</b> Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8	<b>3</b>	8,692

**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

  

<b>2</b> Total of line 1, column (d)	<b>2</b>	0.433393
<b>3</b> 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	<b>3</b>	0.086679
<b>4</b> Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	<b>4</b>	5,439,713
<b>5</b> Multiply line 4 by line 3	<b>5</b>	471,509
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)	<b>6</b>	3,118
<b>7</b> Add lines 5 and 6	<b>7</b>	474,627
<b>8</b> Enter qualifying distributions from Part XII, line 4 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.	<b>8</b>	92,615

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

<b>1a</b>	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>b</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	<b>1</b>	6,236
<b>c</b>	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
<b>2</b>	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>2</b>	0
<b>3</b>	Add lines 1 and 2	<b>3</b>	6,236
<b>4</b>	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>4</b>	0
<b>5</b>	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-	<b>5</b>	6,236
<b>6</b>	<b>Credits/Payments</b>		
<b>a</b>	2016 estimated tax payments and 2015 overpayment credited to 2016	<b>6a</b>	6,000
<b>b</b>	Exempt foreign organizations – tax withheld at source	<b>6b</b>	
<b>c</b>	Tax paid with application for extension of time to file (Form 8868)	<b>6c</b>	
<b>d</b>	Backup withholding erroneously withheld	<b>6d</b>	
<b>7</b>	Total credits and payments. Add lines 6a through 6d	<b>7</b>	6,000
<b>8</b>	Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	<b>8</b>	30
<b>9</b>	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b>	<b>9</b>	266
<b>10</b>	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b>	<b>10</b>	
<b>11</b>	Enter the amount of line 10 to be <b>Credited to 2017 estimated tax</b> <input type="checkbox"/> <b>Refunded</b> <input type="checkbox"/>	<b>11</b>	

**Part VII-A Statements Regarding Activities**

	Yes	No
<b>1a</b> 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>b</b> Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? <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>		X
<b>c</b> Did the foundation file <b>Form 1120-POL</b> for this year?		X
<b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
<b>e</b> Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
<b>2</b> Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities</i>		X
<b>3</b> 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>		X
<b>4a</b> Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
<b>b</b> If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year?		
<b>5</b> Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>		X
<b>6</b> 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	
<b>7</b> 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>	X	
<b>8a</b> Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> NONE		
<b>b</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>	X	
<b>9</b> 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>		X
<b>10</b> Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		X

N/A

**Part VII-A Statements Regarding Activities (continued)**

	Yes	No
11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11	X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12	X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	
14 The books are in care of ► STUART SAUNDERS 602 SAWYER ST SUITE 720 Located at ► HOUSTON TX ZIP+4 ► 77007 Telephone no ► 713-914-9778		
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	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 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 ► <input type="checkbox"/>	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?	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

Form 990-PF (2016) SAUNDERS FOUNDATION

76-0574880

Page 6

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions) ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

**b** If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? ☐ Yes ☒ No **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? ☐ Yes ☒ No **7b**

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**

**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No **7b**

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? ☐ Yes ☒ No **7b**

**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).**

(a) Name and address	(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	0
GAYLE D SAUNDERS 515 HUNTERWOOD HOUSTON TX 77024	DIRECTOR 0.50	0	0	0
MEREDITH S MASON 2401 HATLEY AUSTIN TX 78746	DIRECTOR 0.50	0	0	0
STUART D SAUNDERS 8 SADDLEBROOK LANE HOUSTON TX 77024	DIRECTOR 0.50	0	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

Form 990-PF (2016)

Form 990-PF (2016) SAUNDERS FOUNDATION

76-0574880

Page 7

**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	
<b>Total.</b> Add lines 1 through 3 <span style="float: right;">▶</span>	

Form **990-PF** (2016)

**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 1½% 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		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	92,615
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	0
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	92,615

**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:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	971,469			
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 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
<b>a</b> Paid during the year SEE STATEMENT 11				90,567
<b>Total</b>			▶ <b>3a</b>	90,567
<b>b</b> Approved for future payment N/A				
<b>Total</b>			▶ <b>3b</b>	





Form <b>990-PF</b>	<b>Capital Gains and Losses for Tax on Investment Income</b>	<b>2016</b>
For calendar year 2016, or tax year beginning _____, and ending _____		

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

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

Name of borrower	Relationship to disqualified person
(1) GEORGE THOMAS 502 FREEPORT	
(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)			
<b>Totals</b>	<b>19,167</b>	<b>3,992</b>	<b>3,992</b>

10506805 SAUNDERS FOUNDATION  
76-0574880  
FYE 12/31/2016

## Federal Statements

11/30/2017 6:56 PM  
Page 1

### 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	\$ -2,227	\$	\$
SEC 1231 GAIN/(LOSS) FROM K1S	232		
TOTAL	\$ -1,995	\$ 0	\$ 0

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

Description	Total	Net Investment	Adjusted Net	Charitable 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	Charitable 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



**Federal Statements**

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

Description	Total	Net Investment	Adjusted Net	Charitable 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

10506805 SAUNDERS FOUNDATION  
76-0574880  
FYE 12/31/2016

## Federal Statements

11/30/2017 6 56 PM  
Page 3

### 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

**Federal Statements**

FYE: 12/31/2016

**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

10506805 SAUNDERS FOUNDATION  
76-0574880  
FYE: 12/31/2016

**Federal Statements**

11/30/2017 6 56 PM  
Page 5

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

Name Address	Relationship	Status Address	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 VILLEGAS 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 CHARITY	CHARITY	10,000
HOSPICE BRAZOS VALLEY BRYAN TX 77803	NONE	502 W 26TH STREET CHARITY	CHARITY	200
HOUSTON AREA PARKINSON HOUSTON TX 77063	NONE	C/O 602 SAWYER ST PUBLIC CHARI	MEDICAL RESEARCH	200
HOUSTON HOSPICE HOUSTON TX 77030	NONE	1905 HOLCOMBE BLVD CHARITY	CHARITY	100
HOUSTON PANHELLENIC FOUND HOUSTON TX 77057	NONE	BOX 342, 5868 A-1 WESTHEI UNIVERSITY	EDUCATION	2,000
HOUSTON PUBLIC MEDIA HOUSTON TX 77063	NONE	C/O 602 SAWYER ST CHARITY	GENERAL PHILANTROPY	100

10506805 SAUNDERS FOUNDATION  
76-0574880  
FYE: 12/31/2016

## Federal Statements

11/30/2017 6:56 PM  
Page 6

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

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