

Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

OMB No 1545-0047

2019

Open to Public Inspection

Do not enter social security numbers on this form as it may be made public.
Go to www.irs.gov/Form990PF for instructions and the latest information.

For calendar year 2019 or tax year beginning

and ending

Name of foundation THE FREES FOUNDATION			A Employer identification number 76-0053200	
Number and street (or P O box number if mail is not delivered to street address) 1770 ST JAMES PLACE		Room/suite 616	B Telephone number (see instructions) 713-623-0515	
City or town, state or province, country, and ZIP or foreign postal code HOUSTON TX 77056-3500		C If exemption application is pending, check here <input type="checkbox"/>		
Foreign country name Foreign province/state/county Foreign postal code		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <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		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>		
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation 04 <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>		
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 4,090,250		J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d), must be on cash basis)		

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 type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	15,699	15,699		
	4 Dividends and interest from securities	115,652	36,210		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	650,622			
	b Gross sales price for all assets on line 6a 3,497,942				
	7 Capital gain net income (from Part IV, line 2)		650,622		
	8 Net short-term capital gain				
	9 Income modifications			20,000	
	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)	203	203			
12 Total. Add lines 1 through 11	782,176	702,734	20,000		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	139,750	6,988		132,762
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits	16,977	849		16,128
	16a Legal fees (attach schedule)	13,772			13,772
	b Accounting fees (attach schedule)	5,090	4,798		252
	c Other professional fees (attach schedule)	28,788	28,788		
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	1,626	1,626		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy	30,697	3,070		27,627
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	17,175	943		16,232
	24 Total operating and administrative expenses. Add lines 13 through 23	260,392	47,062	0	206,773
	25 Contributions, gifts, grants paid	2,444,788			2,444,788
26 Total expenses and disbursements. Add lines 24 and 25	2,705,180	47,062	0	2,651,561	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	-1,923,004				
b Net investment income (if negative, enter -0-)		655,672			
c Adjusted net income (if negative, enter -0-)			20,000		

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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	65,385	41,772	41,772
	2	Savings and temporary cash investments	680,261	564,388	564,388
	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 (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach schedule) ▶			
		Less allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S and state government obligations (attach schedule)	2,916,097	3,439,272	3,476,813
	b	Investments—corporate stock (attach schedule)	2,291,693		
	c	Investments—corporate bonds (attach schedule)			
	11	Investments—land, buildings, and equipment: basis ▶			
	Less accumulated depreciation (attach schedule) ▶				
12	Investments—mortgage loans				
13	Investments—other (attach schedule)				
14	Land, buildings, and equipment: basis ▶	39,243			
	Less accumulated depreciation (attach schedule) ▶	36,669	4,199	2,574	
15	Other assets (describe ▶ See Attached Statement)	4,030	4,703	4,703	
16	Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	5,961,665	4,052,709	4,090,250	
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶ See Attached Statement)	7,009	1,057	
	23	Total liabilities (add lines 17 through 22)	7,009	1,057	
Net Assets or Fund Balances	Foundations that follow FASB ASC 958, check here and complete lines 24, 25, 29, and 30. <input type="checkbox"/>				
	24	Net assets without donor restrictions			
	25	Net assets with donor restrictions			
	Foundations that do not follow FASB ASC 958, check here and complete lines 26 through 30. <input checked="" type="checkbox"/>				
	26	Capital stock, trust principal, or current funds	5,954,656	4,051,652	
	27	Paid-in or capital surplus, or land, bldg, and equipment fund			
	28	Retained earnings, accumulated income, endowment, or other funds			
29	Total net assets or fund balances (see instructions)	5,954,656	4,051,652		
30	Total liabilities and net assets/fund balances (see instructions)	5,961,665	4,052,709		

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 29 (must agree with end-of-year figure reported on prior year's return)	1	5,954,656
2	Enter amount from Part I, line 27a	2	-1,923,004
3	Other increases not included in line 2 (itemize) ▶ PRIOR YEAR GRANT REFUNDED	3	20,000
4	Add lines 1, 2, and 3	4	4,051,652
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 29	6	4,051,652

Part IV Capital Gains and Losses for Tax on Investment Income

a) List and describe the kind(s) of property sold (for example, 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	PUBLICLY TRADED SECURITIES			
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) ((e) plus (f) minus (g))	
a	3,497,942	2,847,320	650,622	
b				
c				
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) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any		
a				650,622
b				
c				
d				
e				
2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	650,622	
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) See instructions If (loss), enter -0- in Part I, line 8 }	3	0	

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 doesn't 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))
2018	2,220,941	7,215,527	0.307800
2017	2,184,401	8,847,920	0.246883
2016	1,260,157	10,087,781	0.124919
2015	978,931	11,119,850	0.088035
2014	791,951	11,510,000	0.068805
2	Total of line 1, column (d)	2	0.836442
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5.0, or by the number of years the foundation has been in existence if less than 5 years	3	0.167288
4	Enter the net value of noncharitable-use assets for 2019 from Part X, line 5	4	4,941,864
5	Multiply line 4 by line 3	5	826,715
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	6,557
7	Add lines 5 and 6	7	833,272
8	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	8	2,651,561

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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		6,557
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-)		0
3	Add lines 1 and 2		6,557
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only, others, enter -0-)		
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		6,557
6	Credits/Payments		
a	2019 estimated tax payments and 2018 overpayment credited to 2019	6a	5,500
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	5,500
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	1,057
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	0
11	Enter the amount of line 10 to be Credited to 2020 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	0

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? See the 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
1c 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"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
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?	N/A	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by <i>General Instruction T</i>		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"/> TX		
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 <i>General Instruction G</i> ? 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 2019 or the tax year beginning in 2019? See the 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

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Part VII-A Statements Regarding Activities (continued)

		Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule See instructions		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement See instructions		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address WWW.FREESFOUNDATION.ORG	X	
14	The books are in care of NANCY F FOUNTAIN Telephone no (713) 623-0515 Located at 1770 SAINT JAMES PLACE, SUITE 616 HOUSTON TX ZIP+4 77056-3500		
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 2019, 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		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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance? See instructions Organizations relying on a current notice regarding disaster assistance, check here <input type="checkbox"/>		X
1b			X
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2019?		X
1c			X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2019, did the foundation have any undistributed income (Part XIII, lines 6d and 6e) for tax year(s) beginning before 2019? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years 20 , 20 , 20 , 20		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions)		
2b		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 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 2019 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 Form 4720, Schedule C, to determine if the foundation had excess business holdings in 2019)		
3b		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 2019?		X
4b			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		Yes	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		5b	N/A
	Organizations relying on a current notice regarding disaster assistance, check here	<input type="checkbox"/>		
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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?		7b	N/A
8	Is the foundation subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

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

1 List all officers, directors, trustees, and 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
NANCY F. FOUNTAIN 1770 ST JAMES STE 616 HOUSTON, TX 77056	MNG DIR 40 00	139,750	16,977	
EDMUND M. FOUNTAIN 1770 ST JAMES STE 616 HOUSTON, TX 77056	PRES/TRS 5 00	0		
ESTHER M. PERRINE 1770 ST JAMES STE 616 HOUSTON, TX 77056	VICE-PRES 5 00	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

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	4,517,523
b	Average of monthly cash balances	1b	499,598
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	5,017,121
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	5,017,121
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	75,257
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	4,941,864
6	Minimum investment return. Enter 5% of line 5	6	247,093

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	247,093
2a	Tax on investment income for 2019 from Part VI, line 5	2a	6,557
b	Income tax for 2019 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	6,557
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	240,536
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	240,536
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	240,536

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	2,651,561
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	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	2,651,561
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	6,557
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	2,645,004

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 2018	(c) 2018	(d) 2019
1	Distributable amount for 2019 from Part XI, line 7				240,536
2	Undistributed income, if any, as of the end of 2019				
a	Enter amount for 2018 only			0	
b	Total for prior years 20____, 20____, 20____				
3	Excess distributions carryover, if any, to 2019				
a	From 2014	220,820			
b	From 2015	434,402			
c	From 2016	761,656			
d	From 2017	1,744,835			
e	From 2018	1,871,111			
f	Total of lines 3a through e	5,032,824			
4	Qualifying distributions for 2019 from Part XII, line 4 ▶ \$ 2,651,561				
a	Applied to 2018, 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 2019 distributable amount				240,536
e	Remaining amount distributed out of corpus	2,411,025			
5	Excess distributions carryover applied to 2019 (If an amount appears in column (d), the same amount must be shown in column (a))				
6	Enter the net total of each column as indicated below:				
a	Corpus Add lines 3f, 4c, and 4e Subtract line 5	7,443,849			
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				
d	Subtract line 6c from line 6b Taxable amount—see instructions				
e	Undistributed income for 2018 Subtract line 4a from line 2a Taxable amount—see instructions			0	
f	Undistributed income for 2019 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2020				0
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 1912(g)(3) (Election may be required—see instructions)				
8	Excess distributions carryover from 2014 not applied on line 5 or line 7 (see instructions)	220,820			
9	Excess distributions carryover to 2020. Subtract lines 7 and 8 from line 6a	7,223,029			
10	Analysis of line 9				
a	Excess from 2015	434,402			
b	Excess from 2016	761,656			
c	Excess from 2017	1,744,835			
d	Excess from 2018	1,871,111			
e	Excess from 2019	2,411,025			

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

N/A

- 1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2019, 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)

	Tax year				(e) Total
	(a) 2019	(b) 2018	(c) 2017	(d) 2016	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X, for each year listed					0
b 85% of line 2a					0
c Qualifying distributions from Part XII, line 4, for each year listed					0
d Amounts included in line 2c not used directly for active conduct of exempt activities					0
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					0
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter					
(1) Value of all assets					0
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					0
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6, for each year listed					0
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)					0
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					0
(3) Largest amount of support from an exempt organization					0
(4) Gross investment income					0

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., to individuals or organizations under other conditions, complete items 2a, b, c, and d. See instructions.

- a The name, address, and telephone number or email 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	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<p>a <i>Paid during the year</i> SEE ATTACHED STATEMENT 2</p>				2,444,788
Total				▶ 3a 2,444,788
b <i>Approved for future payment</i>				
Total				▶ 3b 0

Part I, Line 6 (990-PF) - Gain/Loss from Sale of Assets Other Than Inventory

Description	CUSIP #	Check "X" to include in Part IV	Purchaser	Check "X" if Purchaser is a Business	Acquisition Method	Date Acquired	Date Sold	Gross Sales Price	Cost or Other Basis	Valuation Method	Expense of Sale and Cost of Improvements	Depreciation	Adjustments	Net Gain or Loss
Long Term CG Distributions	0													650,622
Short Term CG Distributions	0													0
Totals								3,497,942	2,847,320					650,622

Part I, Line 11 (990-PF) - Other Income

		203	203	0
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
1	SECURITIES LITIGATION SETTLEMENTS	203	203	

Part I, Line 16a (990-PF) - Legal Fees

		13,772	0	0	13,772
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	WEYCER, KAPLAN, PULASKI & ZUBER	13,772			13,772

Part I, Line 16b (990-PF) - Accounting Fees

		5,050	4,798	0	252
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	MITCHELL J HOWINGTON, CPA	5,050	4,798		252

Part I, Line 16c (990-PF) - Other Professional Fees

		28,788	28,788	0	0
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	SOUTH TEXAS MONEY MNGMT LTD	20,596	20,596		0
2	CAPTRUST	8,192	8,192		0

Part I, Line 18 (990-PF) - Taxes

		6,557	0	0	0
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	EXCISE TAX ON INVESTMENT INCOME	6,557			

Part I, Line 19 (990-PF) - Depreciation and Depletion

	Description	Date Acquired	Method of Computation	Asset Life	Cost or Other Basis	Beginning Accumulated Depreciation	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
1	OFFICE EQUIPMENT				14,745	14,745			
2	FURNITURE & FIXTURES				13,119	13,119			
3	OFFICE FURNITURE				11,379	7,179			
							1,626	1,626	0

Part I, Line 23 (990-PF) - Other Expenses

		17,175	943	0	16,232
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	CONTINUING EDUCATION	49	5		44
2	DUES & BOARD EXPENSE	6,969	0		6,969
3	OFFICE EXPENSES	6,654	665		5,989
4	INSURANCE - PROPERTY & LIABILITY	2,726	273		2,453
5	BANK FEES	199	0		199
6	COMMUNITY CONVENING	578	0		578

Part II, Line 10a (990-PF) - Investments - U.S. and State Government Obligations

Federal	2,916,097	3,439,272	2,876,274	3,476,813
State/Local	0	0	0	0

	Description	Num Shares/ Face Value	Book Value		FMV		State/Local Obligation
			Beg of Year	End of Year	Beg of Year	End of Year	
1	SEE ATTACHED STATEMENT 1		2,916,097	3,439,272	2,876,274	3,476,813	

Part II, Line 10b (990-PF) - Investments - Corporate Stock

		2,291,693		0		2,661,612		0	
Description		Num Shares/ Face Value	Book Value Beg of Year	Book Value End of Year	Book Value End of Year	FMV Beg of Year	FMV End of Year	FMV End of Year	FMV End of Year
1	PREVIOUS YEAR BALANCE		2,291,693	0	0	2,661,612	0	0	0

Part II, Line 14 (990-PF) - Land, Buildings, and Equipment

		39,243	35,044	36,669	4,199	2,574	2,574
Asset Description		Cost or Other Basis	Accumulated Depreciation Beg. of Year	Accumulated Depreciation End of Year	Book Value Beg. of Year	Book Value End of Year	FMV End of Year
1	OFFICE EQUIPMENT	14,745	14,745	14,745	0	0	0
2	FURNITURE & FIXTURES	13,119	13,119	13,119	0	0	0
3	OFFICE FURNITURE	11,379	7,180	8,805	4,199	2,574	2,574

Part II, Line 15 (990-PF) - Other Assets

		4,030	4,703	4,703
Asset Description		Book Value Beg of Year	Book Value End of Year	FMV End of Year
1	DEPOSITS	1,493	1,493	1,493
2	PREPAID EXPENSES	2,537	2,360	2,360
3	PAYROLL TAXES REFUNDABLE	0	850	850

Part II, Line 22 (990-PF) - Other Liabilities

		7,009	1,057
Description		Beginning Balance	Ending Balance
1	990-PF EXCISE TAX OWED	3,944	1,057
2	PAYROLL TAXES PAYABLE	3,065	0

FORM 990-PF, PART II, LINE 10a - INVESTMENTS - U.S. AND STATE GOVT OBLIGATIONS

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
\$100,000 ARIZONA STATE REVENUE, 3.06% BOND, DUE 7/1/25	100,015	104,174
\$200,000 ARIZONA COLLEGE & UNIV, 2.94% BOND, DUE 6/1/20	200,015	200,912
\$200,000 CARMEL IND REDEV, 3% BOND, DUE 2/1/25	200,015	205,894
\$50,000 GEORGIA MUN ELECT, 4.03% BOND, DUE 1/1/20	53,816	50,000
\$200,000 HONOLULU CITY & CNTY, 3.162% BOND, DUE 11/1/26	200,015	206,430
\$200,000 NEWPORT NEWS VA, 3.413% BOND, DUE 7/1/27	201,015	212,724
\$225,000 OKLAHOMA WATER RES, 3.616% BOND, DUE 4/1/22	225,015	234,160
\$200,000 PORT VANCOUVER WA, 3.094% BOND, DUE 12/1/23	200,020	206,566
\$200,000 SNOHOMISH CNTY WA G/O, 3% BOND, DUE 12/1/26	197,743	202,916
\$156,000 S CAROLINA WTR REV, 3.572% BOND, DUE 12/1/22	163,389	161,156
\$125,000 UNIV OF OKLA REV, 3.104% BOND, DUE 7/1/26	125,010	128,059
\$200,000 VIRGINIA ST PUB AUTH, 4% BOND, DUE 8/1/20	220,765	202,398
\$497,200 UNITED STATES TREASURY BILLS, 0%, DUE 3/26/20	490,188	495,450
\$683,500 UNITED STATES TREASURY BILLS, 0%, DUE 9/10/20	675,108	676,227
\$190,000 US TREASURY SENIOR NOTE, 1.125%, DUE 3/31/20	187,143	189,747
TOTALS	<u>3,439,272</u>	<u>3,476,813</u>

FORM 990-PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE
YEAR OR APPROVED FOR FUTURE PAYMENT

NAME AND ADDRESS	REALTION- SHIP	FOUNDATION STATUS	PURPOSE	AMOUNT
CARE USA 151 ELLIS STREET, NE ATLANTA, GA 30303	NONE	PUBLIC	Health/Education Initiative --Middle East	433,049
THE MISSION OF YAHWEH 10247 ALGIERS HOUSTON, TX 77041	NONE	PUBLIC	Dental Program-Homeless Transportation Program--Homeless	79,820
HOUSTON REVISION 6856 BELLAIRE BLVD HOUSTON, TX 77074	NONE	PUBLIC	Juvenile Justice/Child Welfare Educational Advocacy	35,000
TRUE COLORS FUND 330 WEST 38th STREET, STE 405 NEW YORK, NY 10018	NONE	PUBLIC	Education Summit	10,000
THE HAY CENTER FOUNDATION 1216 CLAY STREET HOUSTON, TX 77019	NONE	PUBLIC	Transitional Youth Housing Case Manager Salary Support	45,000
FAMILY SERVICES OF GREATER HOUSTON 3815 MONTROSE BLVD, SUITE 200 HOUSTON, TX 77006	NONE	PUBLIC	BAMBI Parenting Classes - Incarcerated Women	25,000
PHILANTHROPY SOUTHWEST 8350 NORTH CENTRAL EXPRESSWAY DALLAS, TX 75206	NONE	PUBLIC	Philanthropic Sector Support	1,700
YMCA INTERNATIONAL SERVICES 6300 WESTPARK DRIVE, SUITE 600 HOUSTON, TX 77057	NONE	PUBLIC	Anti-Human Trafficking Initiative	20,000
MEMORIAL ASST MINISTRIES 1625 BLALOCK ROAD HOUSTON, TX 77080	NONE	PUBLIC	Immigration Legal Services	25,000

FORM 990-PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE
YEAR OR APPROVED FOR FUTURE PAYMENT

NAME AND ADDRESS	REALTION- SHIP	FOUNDATION STATUS	PURPOSE	AMOUNT
HEALTH CARE HOMELESS-HOUSTON 1934 CAROLINE STREET HOUSTON, TX 77002	NONE	PUBLIC	Expansion Health Clinic Capital Campaign	35,000
SUNFLOWER MISSION P O BOX 1385 STAFFORD, TX 77497	NONE	PUBLIC	University Scholarship Program Health Education Initiative	119,000
HOPE RISING MINISTRIES 504 EAST SIXTH STREET BRENHAM, TX 77833	NONE	PUBLIC	Anti-Human Trafficking Program Minors Residential Home & Services Land Acquisition for Emergency Ctr	195,469
COVENANT HOUSE TEXAS 1111 LOVETT BLVD HOUSTON, TX 77006	NONE	PUBLIC	Campus Expansion Campaign Youth Homelessness Residential Program	500,000
NEW HOPE HOUSING 1117 TEXAS AVENUE , HOUSTON, TX 77002	NONE	PUBLIC	Permanent Supportive Housing Resident Services	50,000
GREATER HOUSTON COMMUNITY FOUNDATION 5120 WOODWAY DRIVE, SUITE 6000 HOUSTON, TX 77056	NONE	PUBLIC	Youth Homelessness Fund	25,000
BAKER RIPLEY P O BOX 271389 HOUSTON, TX 77277	NONE	PUBLIC	Immigration Legal Aid	20,000
EASTER SEALS OF GREATER HOUSTON 4500 BISSONNET, SUITE 340 BELLAIRE, TX 77401-3006	NONE	PUBLIC	Veterans Services Program Job Coach	5,000
UNITED WAY OF GREATER HOUSTON 50 WAUGH DRIVE HOUSTON, TX 77007	NONE	PUBLIC	Funders' Learning Groups Coordinator Salary Support	25,000

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STATEMENT 2

THE FREES FOUNDATION

STATEMENT 2
76-0053200

FORM 990-PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE
YEAR OR APPROVED FOR FUTURE PAYMENT

NAME AND ADDRESS	REALTION- SHIP	FOUNDATION STATUS	PURPOSE	AMOUNT
TAHIRIH JUSTICE CENTER 1717 ST JAMES PLACE, STE 450 HOUSTON, TX 77056	NONE	PUBLIC	General Operating Support/Policy & Advocacy Attorney Salary National Expansion Campaign	575,000
PROUNITAS INC 4802 LOCKWOOD DR HOUSTON, TX 77026	NONE	PUBLIC	Chief Innovation Officer Position Salary Support	100,000
DIOCESAN REFUGEE & MIGRANT CENTER 2400 A E YANDELL EL PASO, TX 79903	NONE	PUBLIC	Family Reunification Program	15,000
EXPONENT PHILANTHROPY 1720 N STREET, NW WASHINGTON, D C 20036	NONE	PUBLIC	Philanthropic Sector Support	750
WEST HOUSTON ASST MINISTRIES 10501 MEADOWGLEN LANE HOUSTON, TX 77042	NONE	PUBLIC	Harvey Emergency Relief	30,000
UNIVERSITY OF HOUSTON - SCHOOL OF SOCIAL WORK 5000 GULF FREEWAY BUILDING 1, SUITE 263 HOUSTON, TX 77024	NONE	PUBLIC	Capital Improvements Social Work Building	75,000
TOTAL				<u>2,444,788</u>

STATEMENT 2