

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

**2010**

Department of the Treasury  
Internal Revenue Service

*Note.* The foundation may be able to use a copy of this return to satisfy state reporting requirements.

**For calendar year 2010, or tax year beginning** \_\_\_\_\_, **2010, and ending** \_\_\_\_\_

**G** Check all that apply:  Initial return  Initial Return of a former public charity  Final return  
 Amended return  Address change  Name change

Name of foundation: **Albert and Margaret Alkek Foundation**

Number and street (or P.O. box number if mail is not delivered to street address): **1100 Louisiana St**

City or town: **Houston** State: **TX** ZIP code: **77002**

**A** Employer identification number: **76-0491186**

**B** Telephone number (see the instructions): **(713) 652-6601**

**H** Check type of organization:  Section 501(c)(3) exempt private foundation  
 Section 4947(a)(1) nonexempt charitable trust  Other taxable private foundation

**I** Fair market value of all assets at end of year (from Part II, column (c), line 16): **\$ 214,123,803.**

**J** Accounting method:  Cash  Accrual  
 Other (specify) \_\_\_\_\_ (Part I, column (d) must be on cash basis.)

**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

<b>Analysis of Revenue and Expenses</b> (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>REVENUE</b>	<b>1</b> Contributions, gifts, grants, etc. received (att sch)	1,563,036.			
	<b>2</b> CK <input type="checkbox"/> if the foundn is not req to att Sch B				
	<b>3</b> Interest on savings and temporary cash investments	1,548.	1,377.		
	<b>4</b> Dividends and interest from securities	4,057,283.	4,008,772.		
	<b>5a</b> Gross rents				
	<b>b</b> Net rental income or (loss)				
	<b>6a</b> Net gain/(loss) from sale of assets not on line 10	-1,641,650.			
	<b>b</b> Gross sales price for all assets on line 6a	17,307,402.			
	<b>7</b> Capital gain net income (from Part IV, line 2)		0.		
	<b>8</b> Net short-term capital gain				
	<b>9</b> Income modifications				
	<b>10a</b> Gross sales less returns and allowances				
<b>b</b> Less: Cost of goods sold					
<b>c</b> Gross profit/(loss) (att sch)					
<b>11</b> Other income (attach schedule) See Line 11 Stmt	460,674.	458,653.			
<b>12 Total.</b> Add lines 1 through 11	4,440,891.	4,468,802.			
<b>ADMINISTRATIVE EXPENSES</b>	<b>13</b> Compensation of officers, directors, trustees, etc.	647,750.	431,562.		216,188.
	<b>14</b> Other employee salaries and wages	13,734.	5,494.		8,240.
	<b>15</b> Pension plans, employee benefits	29,146.	22,006.		7,140.
	<b>16a</b> Legal fees (attach schedule) L-16a Stmt	76,018.	76,018.		0.
	<b>b</b> Accounting fees (attach sch) L-16b Stmt	15,102.	9,999.		5,103.
	<b>c</b> Other prof fees (attach sch) L-16c Stmt	1,293,322.	1,293,322.		0.
	<b>17</b> Interest	107,448.	99,330.		0.
	<b>18</b> Taxes (attach schedule) (see instr.) See Line 18 Stmt	72,462.	72,192.		0.
	<b>19</b> Depreciation (attach sch) and depletion	39,911.	26,423.		
	<b>20</b> Occupancy	248.	164.		84.
	<b>21</b> Travel, conferences, and meetings	2,556.	2,321.		180.
	<b>22</b> Printing and publications	405.	405.		0.
	<b>23</b> Other expenses (attach schedule) See Line 23 Stmt	1,570,142.	1,239,247.		3,645.
	<b>24 Total operating and administrative expenses.</b> Add lines 13 through 23	3,868,244.	3,278,483.		240,580.
	<b>25</b> Contributions, gifts, grants paid	10,000,000.			10,000,000.
<b>26 Total expenses and disbursements.</b> Add lines 24 and 25	13,868,244.	3,278,483.		10,240,580.	
<b>27</b> Subtract line 26 from line 12:					
<b>a Excess of revenue over expenses and disbursements</b>	-9,427,353.				
<b>b Net investment income</b> (if negative, enter -0-)		1,190,319.			
<b>c Adjusted net income</b> (if negative, enter -0-)					

**Part I 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	
<b>ASSETS</b>	1	Cash – non-interest-bearing .....	306.	306.	306.
	2	Savings and temporary cash investments .....	3,236,464.	1,345,032.	1,345,032.
	3	Accounts receivable .....	979.		
		Less: allowance for doubtful accounts .....	410.	979.	979.
	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 the instructions) .....			
	7	Other notes and loans receivable (attach sch) .....			
		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) L-10b Stmt .....	32,469,419.	33,968,427.	39,672,451.
		c Investments – corporate bonds (attach schedule) .....	250,000.		
	11	Investments – land, buildings, and equipment: basis .....			
	Less: accumulated depreciation (attach schedule) .....				
12	Investments – mortgage loans .....				
13	Investments – other (attach schedule) L-13 Stmt .....	165,766,472.	157,977,689.	172,963,190.	
14	Land, buildings, and equipment: basis .....	284,611.			
	Less: accumulated depreciation (attach schedule) L-14 Stmt .....	112,219.	212,302.	172,392.	
15	Other assets (describe L-15 Stmt .....	0.	0.	4,845.	
16	<b>Total assets</b> (to be completed by all filers – see instructions. Also, see page 1, item I) .....	201,935,373.	193,464,825.	214,123,803.	
<b>LIABILITIES</b>	17	Accounts payable and accrued expenses .....			
	18	Grants payable .....			
	19	Deferred revenue .....			
	20	Loans from officers, directors, trustees, & 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) .....			
<b>NET ASSETS OR FUND BALANCES</b>		<b>Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.</b> <input checked="" type="checkbox"/>			
	24	Unrestricted .....	201,935,373.	193,464,825.	
	25	Temporarily restricted .....			
	26	Permanently restricted .....			
		<b>Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.</b> <input type="checkbox"/>			
	27	Capital stock, trust principal, or current funds .....			
	28	Paid-in or capital surplus, or land, building, and equipment fund .....			
29	Retained earnings, accumulated income, endowment, or other funds .....				
30	<b>Total net assets or fund balances</b> (see the instructions) .....	201,935,373.	193,464,825.		
31	<b>Total liabilities and net assets/fund balances</b> (see the instructions) .....	201,935,373.	193,464,825.		

**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	201,935,373.
2	Enter amount from Part I, line 27a .....	2	-9,427,353.
3	Other increases not included in line 2 (itemize) .....	3	1,965,952.
4	Add lines 1, 2, and 3 .....	4	194,473,972.
5	Decreases not included in line 2 (itemize) .....	5	1,009,147.
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30 .....	6	193,464,825.

**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 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
<b>1a</b> From publicly traded securities	P	various	various
<b>b</b> From other investments	P	various	various
<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> 7,239,212.	0.	7,057,307.	181,905.
<b>b</b> 9,575,647.	0.	11,891,745.	-2,316,098.
<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 (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
<b>a</b> 0.	0.	0.	181,905.
<b>b</b>			-2,316,098.
<b>c</b>			
<b>d</b>			
<b>e</b>			

<b>2</b> Capital gain net income or (net capital loss). <span style="float:right">[ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 ]</span>	<b>2</b>	<b>-2,134,193.</b>
<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 the instructions). If (loss), enter -0- in Part I, line 8 <span style="float:right">]</span>	<b>3</b>	

**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 (column (b) divided by column (c))
2009	9,946,576.	190,851,358.	0.052117
2008	11,332,673.	233,992,634.	0.048432
2007	12,476,533.	256,410,565.	0.048658
2006	11,493,179.	236,667,550.	0.048563
2005	10,563,641.	223,513,765.	0.047262

<b>2</b> Total of line 1, column (d) .....	<b>2</b>	<b>0.245032</b>
<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>	<b>0.049006</b>
<b>4</b> Enter the net value of noncharitable-use assets for 2010 from Part X, line 5 .....	<b>4</b>	<b>203,946,002.</b>
<b>5</b> Multiply line 4 by line 3 .....	<b>5</b>	<b>9,994,578.</b>
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b) .....	<b>6</b>	<b>11,903.</b>
<b>7</b> Add lines 5 and 6 .....	<b>7</b>	<b>10,006,481.</b>
<b>8</b> Enter qualifying distributions from Part XII, line 4 .....	<b>8</b>	<b>10,240,580.</b>

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 the instructions)**

1 a 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 instr.)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	11,903.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	11,903.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 <b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-		5	11,903.
6 Credits/Payments:			
a 2010 estimated tax pmts and 2009 overpayment credited to 2010	6a	75,000.	
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	75,000.	
8 Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 <b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b>	9		
10 <b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b>	10	63,097.	
11 Enter the amount of line 10 to be: <b>Credited to 2011 estimated tax</b> 63,097.   <b>Refunded</b>	11		

**Statements Regarding Activities**

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for 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
c Did the foundation file <b>Form 1120-POL</b> 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 \$ _____ (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? <i>If 'Yes,' attach a detailed description of the activities.</i>		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? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a 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 <b>Form 990-T</b> for this year?	X	
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>		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? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) <u>TX - Texas</u>		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by <i>General Instruction G</i> ? <i>If 'No,' attach explanation</i>	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 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses.</i>		X

**Part VIIA 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		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>www.alkek.org</u>	13	X	
14	The books are in care of <u>Scott Seaman, Executive Director</u> Telephone no. <u>(713) 652-6601</u> Located at <u>1100 Louisiana, Ste 5250 Houston TX</u> ZIP + 4 <u>77002</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year <u>15</u>			
16	At any time during calendar year 2010, 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 Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country	16	Yes	No 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
<b>1 a</b>	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? ( <b>Exception.</b> 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>b</b>	If any answer is 'Yes' to 1a(1)-(6), did <b>any</b> 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 the instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1 b	X
<b>c</b>	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 2010?	1 c	X
<b>2</b>	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)):		
<b>a</b>	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years <u>20</u> , <u>20</u> , <u>20</u> , <u>20</u>		
<b>b</b>	Are there any years listed in 2a for which the foundation is <b>not</b> 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 <b>all</b> years listed, answer 'No' and attach statement - see the instructions.)	2 b	
<b>c</b>	If the provisions of section 4942(a)(2) are being applied to <b>any</b> of the years listed in 2a, list the years here. <u>20</u> , <u>20</u> , <u>20</u> , <u>20</u>		
<b>3 a</b>	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
<b>b</b>	If 'Yes,' did it have excess business holdings in 2010 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 2010.)	3 b	X
<b>4 a</b>	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	X
<b>b</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 2010?	4 b	X

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

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

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?  Yes  No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?  Yes  No
- (3) Provide a grant to an individual for travel, study, or other similar purposes?  Yes  No
- (4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (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)?

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

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No

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

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

5b		
6b		X
7b		

**Part VII 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
See attached statement				

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				
0				
0				
0				
0				

Total number of other employees paid over \$50,000  None

**Part VII 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
Beck, Redden & Secrest LLC 1221 McKinney St., Suite 4500 Houston TX 77002	legal counsel	70,417.
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-----		
-----		
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<b>Total</b> number of others receiving over \$50,000 for professional services		None

**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 None	0.
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 None	0.
2	
All other program-related investments. See instructions.	
3	
<b>Total.</b> Add lines 1 through 3	None

BAA

**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	34,534,535.
b	Average of monthly cash balances	1b	4,129,680.
c	Fair market value of all other assets (see instructions)	1c	168,387,564.
d	<b>Total</b> (add lines 1a, b, and c)	1d	207,051,779.
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	207,051,779.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	3,105,777.
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	203,946,002.
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	10,197,300.

**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	10,197,300.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	11,903.
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	11,903.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	10,185,397.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	10,185,397.
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	10,185,397.

**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	10,240,580.
b	Program-related investments — total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	10,240,580.
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	11,903.
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	10,228,677.

**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 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				10,185,397.
2 Undistributed income, if any, as of the end of 2010:				
a Enter amount for 2009 only			4,214,487.	
b Total for prior years: 20__, 20__, 20__				
3 Excess distributions carryover, if any, to 2010:				
a From 2005	0.			
b From 2006	0.			
c From 2007	0.			
d From 2008	0.			
e From 2009	0.			
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2010 from Part XII, line 4: \$ 10,240,580.				
a Applied to 2009, but not more than line 2a			4,214,487.	
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 2010 distributable amount				6,026,093.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2010 (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	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount — see instructions		0.		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount — see instructions			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				4,159,304.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2006	0.			
b Excess from 2007	0.			
c Excess from 2008	0.			
d Excess from 2009	0.			
e Excess from 2010	0.			

**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 2010, 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)

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

	Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
<b>b</b> 85% of line 2a					
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed					
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
<b>3</b> Complete 3a, b, or c for the alternative test relied upon:					
<b>a</b> 'Assets' alternative test — enter:					
<b>(1)</b> Value of all assets					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i)					
<b>b</b> 'Endowment' alternative test — enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
<b>c</b> 'Support' alternative test — enter:					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
<b>(3)</b> Largest amount of support from an exempt organization					
<b>(4)</b> Gross investment income					

**Part XV Supplementary Information (Complete this part only if the organization 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).)
- 
- 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.

**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 of the person to whom applications should be addressed:

Charles Williams  
 1100 Louisiana St., Suite 5250  
 Houston TX 77002 (713) 652-6601

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

See guidelines at [www.alkek.org](http://www.alkek.org).

**c** Any submission deadlines:

None

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

Limited to non-profit organizations in the State of Texas.

**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
<p><b>a</b> Paid during the year See attached statement</p>				10,000,000.
<p><b>Total</b> .....</p>				<p>▶ <b>3a</b> 10,000,000.</p>
<p><b>b</b> Approved for future payment See attached statement</p>				4,924,500.
<p><b>Total</b> .....</p>				<p>▶ <b>3b</b> 4,924,500.</p>

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Table with 5 main columns: (a) Business code, (b) Amount, (c) Exclusion code, (d) Amount, (e) Related or exempt function income. Rows include Program service revenue, Fees and contracts from government agencies, Membership dues and assessments, Interest on savings and temporary cash investments, Dividends and interest from securities, Net rental income or (loss) from real estate, Net rental income or (loss) from personal property, Other investment income, Gain or (loss) from sales of assets other than inventory, Net income or (loss) from special events, Gross profit or (loss) from sales of inventory, Other revenue, Subtotal, and Total.

(See worksheet in line 13 instructions to verify calculations.)

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

Table with 2 columns: 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 the instructions.) Row 3: Tax-exempt interest income excluded by section 103

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

**1** Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

	Yes	No
<b>a</b> Transfers from the reporting foundation to a noncharitable exempt organization of:		
(1) Cash		X
(2) Other assets		X
<b>b</b> Other transactions:		
(1) Sales of assets to a noncharitable exempt organization		X
(2) Purchases of assets from a noncharitable exempt organization		X
(3) Rental of facilities, equipment, or other assets		X
(4) Reimbursement arrangements		X
(5) Loans or loan guarantees		X
(6) Performance of services or membership or fundraising solicitations		X
<b>c</b> Sharing of facilities, equipment, mailing lists, other assets, or paid employees		X

**d** If the answer to any of the above is 'Yes,' complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements


**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.

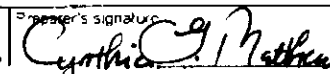
(a) Name of organization	(b) Type of organization	(c) Description of relationship
Alkek & Williams Foundation	501(c)(3)	common directors

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 or fiduciary) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature of officer or trustee:  Date: 11/7/11 Title: Executive Director

**Paid Preparer Use Only**

Print preparer's name: CYNTHIA G MATTHEWS Preparer's signature:  Date: 11/7/11 Check if  self-employed PTIN: P00286341

Firm's name: CYNTHIA G. MATTHEWS, LLP Firm's EIN: 76-0491186

Firm's address: 10011 Pinescroft Dr, Suite 600 Phone no: 281-710-1187  
Dallas, TX 75227

**Schedule B**  
**(Form 990, 990-EZ,**  
**or 990-PF)**

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ **Attach to Form 990, 990-EZ, or 990-PF**

OMB No. 1545-0047

**2010**

**Name of the organization**

Albert and Margaret Alkek Foundation

**Employer identification number**

76-0491186

**Organization type** (check one):

**Filers of:**

Form 990 or 990-EZ

Form 990-PF

**Section:**

- 501(c)(\_\_\_\_) (enter number) organization
- 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
- 527 political organization
- 501(c)(3) exempt private foundation
- 4947(a)(1) nonexempt charitable trust treated as a private foundation
- 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

- For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

**Special Rules**

- For a section 501(c)(3) organization filing Form 990 or 990-EZ, that met the 33-1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of ( 1 ) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ, that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ, that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ..... ▶ \$ \_\_\_\_\_

**Caution:** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF) but it **must** answer 'No' on Part IV, line 2 of their Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

**BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990EZ, or 990-PF.**

**Schedule B** (Form 990, 990-EZ, or 990-PF) (2010)

Name of organization

Employer identification number

Albert and Margaret Alkek Foundation

76-0491186

**Part I** Contributors (see instructions.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	Margaret Alkek Charitable Lead Annuity Trust 1100 Louisiana St., Suite 5250 Houston TX 77002	\$ 1,563,036.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

**Albert and Margaret Alkek Foundation**  
**TIN: 76-0491186**  
**Form 990-PF Statements**  
**For the Year Ended December 31, 2010**

Form 990-PF, Page 1, Part I, Line 11 – Other Income:

	(a) Revenue and Expenses Per Books	(b) Net Investment Income	d) Disbursements for Charitable Purposes
Other investment income	458,859	456,838	0
Oil and gas royalties	1,815	1,815	0
	460,674	458,653	0

Form 990-PF, Page 1, Part I, Line 16a – Legal Fees:

	(a) Amount Paid Per Books	(b) Net Investment Income	d) Disbursements for Charitable Purposes
Legal services	75,327	75,327	0
Legal support services	691	691	0
	76,018	76,018	0

Form 990-PF, Page 1, Part I, Line 16b – Accounting Fees:

	(a) Amount Paid Per Books	(b) Net Investment Income	d) Disbursements for Charitable Purposes
Audit services	15,070	9,978	5,092
Tax services	32	21	11
	15,102	9,999	5,103

Form 990-PF, Page 1, Part I, Line 16c – Other Professional Services:

	(a) Amount Paid Per Books	(b) Net Investment Income	d) Disbursements for Charitable Purposes
Investment management services	1,258,506	1,258,506	0
Securities custody services	34,816	34,816	0
	1,293,322	1,293,322	0



**Albert and Margaret Alkek Foundation**  
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Form 990-PF, Page 1, Part I, Line 18 – Taxes:

	(a) Revenue and Expenses Per Books	(b) Net Investment Income	d) Disbursements for Charitable Purposes
Foreign taxes	65,516	65,246	0
Oil and gas royalty	185	185	0
Return of federal taxes withheld	6,761	6,761	0
	72,462	72,192	0

Form 990-PF, Page 1, Part I, Line 23 – Other Expenses:

	(a) Revenue and Expenses Per Books	(b) Net Investment Income	d) Disbursements for Charitable Purposes
Deductions - limited partnerships	1,410,045	1,099,220	0
Depletion - limited partnerships	86,912	70,487	0
Other investment expenses	62,327	62,327	0
General and administrative	10,858	7,213	3,645
	1,570,142	1,239,247	3,645

Form 990-PF, Page 2, Part II, Line 3 – Accounts Receivable:

	End of Year	
	Book Value	Fair Market Value
Expenses paid on behalf of an investment partnership	979	979

Form 990-PF, Page 2, Part II, Line 10b – Investments – Corporate Stock:

	End of Year	
	Book Value	Fair Market Value
Held directly	6,821,307	6,782,648
Managed accounts	27,147,120	32,889,803
	33,968,427	39,672,451

**Albert and Margaret Alkek Foundation**  
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Form 990-PF, Page 2, Part II, Line 13 – Investments – Other:

	End of Year	
	Book Value	Fair Market Value
Limited partnerships	85,856,718	99,044,272
Private REIT	4,610,448	3,381,317
Foreign investment funds	67,510,523	70,537,601
	157,977,689	172,963,190

Form 990-PF, Page 2, Part II, Line 14b – Description of Land, Buildings, and Equipment:

	Cost Basis	Accumulated Depreciation	Book Value
Furniture	266,296	106,334	159,962
Office equipment	18,315	5,885	12,430
	284,611	112,219	172,392

Form 990-PF, Page 2, Part II, Line 15 – Other Assets:

	End of Year	
	Book Value	Fair Market Value
On 12/31/07 the Estate of Albert B. Alkek transferred an anticipatory right to proceeds from the following asset:		
Oil and gas royalty interest	0	4,845
	0	4,845

**Albert and Margaret Alkek Foundation**  
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Form 990-PF, Page 6, Part VIII, Line 1 – Information About Officers and Directors:

<u>(a) Name and Address</u>	<u>(b) Title and Average Hours Per Week Devoted to Position</u>	<u>(c) Compensation</u>	<u>(d) Contributions to Employee Benefit Plans and Deferred Compensation</u>	<u>(e) Expense Account, Other Allowances</u>
Bobby R. Alford, MD 1100 Louisiana, Ste. 5250 Houston, TX 77002	Director Periodic Board Meetings	15,000	0	0
Daniel C. Arnold 1100 Louisiana, Ste. 5250 Houston, TX 77002	Director Periodic Board and Investment Committee Meetings	18,000	0	0
Sandra K. Bacak 1100 Louisiana, Ste. 5250 Houston, TX 77002	Asst. Secretary/Controller 40 Hours Per Week and Periodic Board Meetings	92,500	4,625	0
Joe M. Bailey 1100 Louisiana, Ste. 5250 Houston, TX 77002	Director Periodic Board and Investment Committee Meetings	18,000	0	0
William T. Butler, MD 1100 Louisiana, Ste. 5250 Houston, TX 77002	Director Periodic Board Meetings	7,500	0	0
Dan B. Jones, MD 1100 Louisiana, Ste. 5250 Houston, TX 77002	Director Periodic Board Meetings	15,000	0	0
Paul Klotman, MD 1100 Louisiana, Ste. 5250 Houston, TX 77002	Director Periodic Board Meetings	3,750	0	0
Scott B. Seaman 1100 Louisiana, Ste. 5250 Houston, TX 77002	Treasurer & Executive Director 15 – 40+ Hours Per Week and Periodic Board & Investment Committee Meetings	295,000	0	0
Charles A. Williams 1100 Louisiana, Ste. 5250 Houston, TX 77002	President & Director 10 - 25 Hours Per Week and Periodic Board and Investment Committee Meetings	150,000	0	0
Margaret Alkek Williams 1100 Louisiana, Ste. 5250 Houston, TX 77002	Director Periodic Board Meetings	15,000	0	0
Randa D. Williams 1100 Louisiana, Ste. 5250 Houston, TX 77002	Director Periodic Board and Investment Committee Meetings	18,000	0	0
		647,750	4,625	0

**Albert and Margaret Alkek Foundation**  
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**Form 990-PF Statements**  
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Form 990-PF, Page 11, Part XV, Line 3a – Grants and Contributions Paid:

No recipient is an individual and all are public charities as described in Section 509(a) of the Internal Revenue Code of 1986, as amended ("I.R.C.") and are exempt under I.R.C. section 501(c)(3) or are governmental units described in I.R.C. Section 170(c) which are not private foundations.

<u>Recipient Name and Address</u>	<u>Foundation Status of Recipient</u>	<u>Purpose of Grant or Contribution</u>	<u>Amount</u>
<b><u>Medical:</u></b>			
Baylor College of Medicine Houston, Texas 77030	public charity	Medical research and educational programs	6,551,000
Menninger Clinic, The Menninger-Baylor College of Medicine- Methodist Foundation Houston, Texas 77080	public charity	Construction of new campus	50,000
Texas A&M Health Science Center Foundation College Station, Texas 77840	public charity	Establish an endowed chair for the Institute of Biosciences & Technology	150,000
The University of Texas M. D. Anderson Cancer Center Houston, Texas 77030	govt. unit	Hospital construction	1,000,000
The University of Texas Health Science Center at Houston Houston, Texas 77030	govt. unit	Research and educational programs	100,000
			7,851,000
<b><u>Educational:</u></b>			
Episcopal High School Houston, Texas 77277	public charity	Scholarships	37,500
Houston Community College Foundation Houston, Texas 77002	public charity	Scholarships	50,000
St. Mary's University San Antonio, Texas 78228	public charity	Campus renovation	200,000
Texas Heart Institute Houston, Texas 77225	public charity	Program support	200,000
Texas State University-San Marcos San Marcos, Texas 78666	public charity & govt unit	Library reference services	200,000
TMI-The Episcopal School of Texas San Antonio, Texas 78257	public charity	Scholarships	149,000
			836,500

**Albert and Margaret Alkek Foundation**  
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Form 990-PF, Page 11, Part XV, Line 3a – Grants and Contributions Paid, Continued:

<u>Recipient Name and Address</u>	<u>Foundation Status of Recipient</u>	<u>Purpose of Grant or Contribution</u>	<u>Amount</u>
<b><u>Community:</u></b>			
Bandera Public Library Corporation Bandera, Texas 78003	public charity	Program support	2,500
Casa de Esperanza de los Ninos Houston, Texas 77266	public charity	Construction of home for children	50,000
Children's Museum of Houston, Inc., The Houston, Texas 77004	public charity	Program support	50,000
Discovery Green Conservancy Houston, Texas 77219	public charity	Park construction	200,000
Houston Zoo, Inc. Houston, Texas 77030	public charity	New exhibit construction	200,000
Julia Ideson Library Conservation Fund Houston, Texas 77005	public charity	Construction and rennovation	25,000
Memorial Park Conservancy, Inc. Houston, Texas 77007	public charity	Capital campaign	50,000
St. Christopher's Episcopal Church Bandera, Texas 78003	public charity	Program support	35,000
			612,500
<b><u>Cultural:</u></b>			
Houston Ballet Foundation Houston, Texas 77219	public charity	Capital campaign	500,000
Museum of Fine Arts, Houston Houston, Texas 77265	public charity	Exhibit and operational support	200,000
			700,000
			10,000,000

**Albert and Margaret Alkek Foundation**  
**TIN: 76-0491186**  
**Form 990-PF Statements**  
**For the Year Ended December 31, 2010**

Form 990-PF, Page 11, Part XV, Line 3b – Grants and Contributions Approved for Future Payment:

No recipient is an individual and all are public charities as described in Section 509(a) of the Internal Revenue Code of 1986, as amended ("I.R.C.") and are exempt under I.R.C. section 501(c)(3) or are governmental units described in I.R.C. Section 170(c) which are not private foundations.

<u>Recipient Name and Address</u>	<u>Foundation Status of Recipient</u>	<u>Purpose of Grant or Contribution</u>	<u>Amount</u>
Baylor College of Medicine Houston, Texas 77030	public charity	Medical research and educational programs	149,500
Discovery Green Conservancy Houston, Texas 77219	public charity	Construction of park	200,000
Houston Ballet Foundation Houston, Texas 77002	public charity	Support performances	3,500,000
Houston Community College Foundation Houston, Texas 77002	public charity	Scholarships	50,000
Julia Ideson Library Conservation Fund Houston, Texas 77005	public charity	Construction and rennovation	25,000
Memorial Park Conservancy, Inc. Houston, Texas 77007	public charity	Construction of park facilities	100,000
Menninger Clinic Incorporated, The Houston, Texas 77080	public charity	Capital campaign	100,000
Museum of Fine Arts, Houston Houston, Texas 77265	public charity	Exhibit and operational support	200,000
Texas Heart Institute Houston, Texas 77225	public charity	Educational programs	200,000
Texas State University - San Marcos San Marcos, Texas 78666	govt. unit	Library reference services	200,000
The University of Texas Health Science Center at Houston Houston, Texas 77030	govt. unit	Research and educational programs	200,000
			4,924,500



Department of the Treasury  
Internal Revenue Service  
Ogden UT 84201

For assistance, call:  
1-877-829-5500

Notice Number: CP211A  
Date: September 5, 2011

Taxpayer Identification Number:  
76-0491186  
Tax Form: 990PF  
Tax Period: December 31, 2010

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ALBERT AND MARGARET ALKEK  
FOUNDATION  
1100 LOUISIANA ST STE 5250  
HOUSTON TX 77002-5100008

059615

### APPLICATION FOR EXTENSION OF TIME TO FILE AN EXEMPT ORGANIZATION RETURN - APPROVED

We received and approved your Form 8868, Application for Extension of Time to File an Exempt Organization Return, for the return (form) and tax period identified above. Your extended due date to file your return is **November 15, 2011**.

When it's time to file your Form 990, 990-EZ, 990-PF or 1120-POL, you should consider filing electronically. Electronic filing is the fastest, easiest and most accurate way to file your return. For more information, visit the Charities and Nonprofit web at [www.irs.gov/eo](http://www.irs.gov/eo). This site will provide information about:

- The type of returns that can be filed electronically,
- approved e-File providers, and
- if you are required to file electronically.

If you have any questions, please call us at the number shown above, or you may write us at the address shown at the top of this letter.

**Exempt Organization Business Income Tax Return**  
(and proxy tax under section 6033(e))

**2010**

For calendar year 2010 or other tax year beginning \_\_\_\_\_, 2010,  
and ending \_\_\_\_\_, \_\_\_\_\_

**Open to Public Inspection for 501(c)(3) Organizations Only**

Department of the Treasury  
Internal Revenue Service

▶ See separate instructions.

<b>A</b> <input type="checkbox"/> Check box if address changed  <b>B</b> Exempt under section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)	<b>Print or Type</b>	Name of organization ( <input type="checkbox"/> Check box if name changed and see instructions.) <b>Albert and Margaret Alkek Foundation</b> Number, street, and room or suite number. If a P.O. box, see instructions. <b>1100 Louisiana St 5250</b> City or town State ZIP code <b>Houston TX 77002</b>	<b>D</b> Employer identification number (Employees' trust, see instructions.) <b>76-0491186</b>  <b>E</b> Unrelated business activity codes (See instructions.) <b>900001</b>
<b>C</b> Book value of all assets at end of year <b>193,464,825.</b>	<b>F</b> Group exemption number (See instructions.) ▶ _____ <b>G</b> Check organization type: <input type="checkbox"/> 501(c) corporation <input checked="" type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust		

**H** Describe the organization's primary unrelated business activity.  
 ▶ **Investment partnerships which generated UBTI.**

**I** During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?  Yes  No  
 If 'Yes,' enter the name and identifying number of the parent corporation: \_\_\_\_\_

**J** The books are in care of ▶ **Scott B. Seaman** Telephone number ▶ **(713) 652-6601**

		(A) Income	(B) Expenses	(C) Net
<b>1 a</b> Gross receipts or sales				
<b>b</b> Less returns and allowances				
<b>c</b> Balance ▶	<b>1 c</b>			
<b>2</b> Cost of goods sold (Schedule A, line 7)	<b>2</b>			
<b>3</b> Gross profit. Subtract line 2 from line 1c	<b>3</b>			
<b>4 a</b> Capital gain net income (attach Schedule D)	<b>4 a</b>			
<b>b</b> Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	<b>4 b</b>			
<b>c</b> Capital loss deduction for trusts	<b>4 c</b>			
<b>5</b> Income (loss) from partnerships and S corporations (attach statement)	<b>5</b>	207,437.		207,437.
<b>6</b> Rent income (Schedule C)	<b>6</b>			
<b>7</b> Unrelated debt-financed income (Schedule E)	<b>7</b>			
<b>8</b> Interest, annuities, royalties, and rents from controlled organizations (Schedule F)	<b>8</b>			
<b>9</b> Investment income of a section 501(c)(7), (9), or (17) organization (Sch G)	<b>9</b>			
<b>10</b> Exploited exempt activity income (Schedule I)	<b>10</b>			
<b>11</b> Advertising income (Schedule J)	<b>11</b>			
<b>12</b> Other income (See instructions; attach schedule.)	<b>12</b>			
<b>13 Total.</b> Combine lines 3 through 12	<b>13</b>	207,437.		207,437.

**Part II Deductions Not Taken Elsewhere** (See instructions for limitations on deductions.)  
 (Except for contributions, deductions must be directly connected with the unrelated business income.)

<b>14</b> Compensation of officers, directors, and trustees (Schedule K)	<b>14</b>	
<b>15</b> Salaries and wages	<b>15</b>	
<b>16</b> Repairs and maintenance	<b>16</b>	
<b>17</b> Bad debts	<b>17</b>	
<b>18</b> Interest (attach schedule)	<b>18</b>	
<b>19</b> Taxes and licenses	<b>19</b>	
<b>20</b> Charitable contributions (See instructions for limitation rules.)	<b>20</b>	
<b>21</b> Depreciation (attach Form 4562)	<b>21</b>	
<b>22</b> Less depreciation claimed on Schedule A and elsewhere on return	<b>22 a</b>	
<b>23</b> Depletion	<b>23</b>	
<b>24</b> Contributions to deferred compensation plans	<b>24</b>	
<b>25</b> Employee benefit programs	<b>25</b>	
<b>26</b> Excess exempt expenses (Schedule I)	<b>26</b>	
<b>27</b> Excess readership costs (Schedule J)	<b>27</b>	
<b>28</b> Other deductions (attach schedule)	<b>28</b>	
<b>29 Total deductions.</b> Add lines 14 through 28	<b>29</b>	
<b>30</b> Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	<b>30</b>	207,437.
<b>31</b> Net operating loss deduction (limited to the amount on line 30)	<b>31</b>	206,437.
<b>32</b> Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	<b>32</b>	1,000.
<b>33</b> Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)	<b>33</b>	1,000.
<b>34 Unrelated business taxable income.</b> Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	<b>34</b>	0.



**Part III Tax Computation**

**35 Organizations Taxable as Corporations.** See instructions for tax computation.  
 Controlled group members (sections 1561 and 1563) check here . See instructions and:  
**a** Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):  
 (1) \$ \_\_\_\_\_ (2) \$ \_\_\_\_\_ (3) \$ \_\_\_\_\_  
**b** Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ \_\_\_\_\_  
 (2) Additional 3% tax (not more than \$100,000) \$ \_\_\_\_\_  
**c** Income tax on the amount on line 34 **35 c** 0.  
**36 Trusts Taxable at Trust Rates.** See instructions for tax computation. Income tax on the amount on line 34 from:  Tax rate schedule or  Schedule D (Form 1041) **36**  
**37 Proxy tax.** See instructions **37**  
**38 Alternative minimum tax** **38**  
**39 Total.** Add lines 37 and 38 to line 35c or 36, whichever applies **39** 0.

**Part IV Tax and Payments**

**40a Foreign tax credit** (corporations attach Form 1118; trusts attach Form 1116) **40 a**  
**b Other credits** (see instructions) **40 b**  
**c General business credit.** Attach Form 3800 **40 c**  
**d Credit for prior year minimum tax** (attach Form 8801 or 8827) **40 d**  
**e Total credits.** Add lines 40a through 40d **40 e**  
**41 Subtract line 40e from line 39** **41** 0.  
**42 Other taxes.** Check if from:  Form 4255  Form 8611  Form 8697  Form 8866  
 Other (attach schedule) **42**  
**43 Total tax.** Add lines 41 and 42 **43** 0.  
**44a Payments:** A 2009 overpayment credited to 2010 **44 a** 15,000.  
**b 2010 estimated tax payments** **44 b**  
**c Tax deposited with Form 8868** **44 c**  
**d Foreign organizations: Tax paid or withheld at source** (see instructions) **44 d**  
**e Backup withholding** (see instructions) **44 e**  
**f Credit for small employer health insurance premiums** (Attach Form 8941) **44 f**  
**g Other credits and payments:**  Form 2439  Form 4136  Other \_\_\_\_\_ Total **44 g**  
**45 Total payments.** Add lines 44a through 44g **45** 15,000.  
**46 Estimated tax penalty** (see instructions) Check if Form 2220 is attached  **46**  
**47 Tax due.** If line 45 is less than the total of lines 43 and 46, enter amount owed **47**  
**48 Overpayment.** If line 45 is larger than the total of lines 43 and 46, enter amount overpaid **48** 15,000.  
**49 Enter the amount of line 48 you want:** Credited to 2011 estimated tax 15,000. Refunded **49**

**Part V Statements Regarding Certain Activities and Other Information** (see instructions)

**1** At any time during the 2010 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here **Yes No**  
**2** During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file. **Yes No**  
**3** Enter the amount of tax-exempt interest received or accrued during the tax year  \$ **Yes No**

**Schedule A - Cost of Goods Sold.** Enter method of inventory valuation

<b>1</b> Inventory at beginning of year	<b>1</b>	<b>6</b> Inventory at end of year	<b>6</b>
<b>2</b> Purchases	<b>2</b>	<b>7</b> Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	<b>7</b>
<b>3</b> Cost of labor	<b>3</b>		
<b>4a</b> Additional section 263A costs (attach schedule)	<b>4a</b>		
<b>b</b> Other costs (attach schedule)	<b>4b</b>	<b>8</b> Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	<b>Yes No</b>
<b>5</b> Total. Add lines 1 through 4b	<b>5</b>		<b>X</b>

Under penalties of perjury, 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.

**Sign Here**  
 Signature of officer: *[Signature]* Date: \_\_\_\_\_ Title: **Executive Director**  
 May the IRS discuss this return with the preparer shown below (see instructions)?  Yes  No

**Paid Preparer Use Only**  
 Preparer's name: **CYNTHIA G MATTHEWS** Preparer's signature: *[Signature]* Date: **11/7/11**  
 Firm's name: **FWWS, L.L.P.** Firm's EIN: **000286341**  
 Firm's address: **11111 1st St, Suite 600** Phone no.: \_\_\_\_\_

**Albert and Margaret Alkek Foundation**  
**TIN: 76-0491186**  
**Form 990-T Supporting Schedules**  
**For the Year Ended December 31, 2010**

Form 990-T, Page 1, Part I, Line 5 – Loss from Partnerships:

<u>Description</u>	<u>Amount</u>
Interest Income	42,263
Dividend Income	6,248
Realized Gains	492,543
Other Income	2,021
Depletion Expense	-16,425
Other Deductions	-310,825
Interest Expense	-8,118
Foreign Tax Expense	-270
	<u>207,437</u>

Form 990-T, Page 1, Part II, Line 31 – Net Operating Loss Deduction:

<u>Form 990-T Losses</u> <u>for the Tax Years Ending</u>	<u>Net Operating Loss</u> <u>Carryforward</u> <u>Before Deduction</u>	<u>2010 Net</u> <u>Operating Loss</u> <u>Deduction</u>	<u>Operating Loss</u> <u>Carryforward After</u> <u>Deduction</u>
December 31, 2006	89,069	-89,069	0
December 31, 2007	173,264	-117,368	55,896
December 31, 2008	353,771	0	353,771
December 31, 2009	396,792	0	396,792
	<u>1,012,896</u>	<u>-206,437</u>	<u>806,459</u>



Department of the Treasury  
Internal Revenue Service  
Ogden UT 84201

For assistance, call:  
1-877-829-5500

Notice Number: CP211A  
Date: June 20, 2011

Taxpayer Identification Number:  
76-0491186  
Tax Form: 990T  
Tax Period: December 31, 2010

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|||



ALBERT AND MARGARET ALKEK  
FOUNDATION  
1100 LOUISIANA ST STE 5250  
HOUSTON TX 77002-510008

076615

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