

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

2016

Department of the Treasury
Internal Revenue Service

▶ **Do not enter social security numbers on this form as it may be made public.**
▶ Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

Open to Public Inspection

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

Name of foundation Albert and Margaret Alkek Foundation		A Employer identification number 76-0491186
Number and street (or P.O. box number if mail is not delivered to street address) 1100 Louisiana St	Room/suite 5250	B Telephone number (see instructions) (713) 652-6601
City or town, state or province, country, and ZIP or foreign postal code Houston TX 77002		C If exemption application is pending, check here. ▶ <input type="checkbox"/>
G Check all that apply:		D 1 Foreign organizations, check here ▶ <input type="checkbox"/>
<input type="checkbox"/> Initial return	<input type="checkbox"/> Initial return of a former public charity	D 2 Foreign organizations meeting the 85% test, check here and attach computation ▶ <input type="checkbox"/>
<input type="checkbox"/> Final return	<input checked="" type="checkbox"/> Amended return	E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ <input type="checkbox"/>
<input type="checkbox"/> Address change	<input type="checkbox"/> Name change	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ <input type="checkbox"/>
H Check type of organization:		
<input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation		
<input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust		
<input type="checkbox"/> Other taxable private foundation		
I Fair market value of all assets at end of year (from Part II, column (c), line 16) ▶ \$ 231,357,786.	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)
R E V E N U E	1 Contributions, gifts, grants, etc., received (attach schedule)	1,563,036.			
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	9,488.	9,488.		
	4 Dividends and interest from securities	1,041,714.	1,041,714.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	1,536,605.			
	b Gross sales price for all assets on line 6a 30,730,022.				
	7 Capital gain net income (from Part IV, line 2)		1,380,492.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
See Line 11 Stmt	3,375,169.	1,975,981.			
12 Total. Add lines 1 through 11	7,526,012.	4,407,675.			
A D M I N I S T R A T I V E O P E R A T I N G A N D E X P E N S E S	13 Compensation of officers, directors, trustees, etc.	737,159.	431,374.		246,403.
	14 Other employee salaries and wages	18,212.	801.		17,301.
	15 Pension plans, employee benefits	38,817.	26,175.		9,039.
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch)	22,978.	12,190.		6,676.
	c Other professional fees (attach sch)	557,152.	556,126.		
	17 Interest				
	18 Taxes (attach schedule)(see instrs)	490,000.			
	19 Depreciation (attach schedule) and depletion	1,980.	1,170.		
	20 Occupancy				
	21 Travel, conferences, and meetings	750.	591.		77.
	22 Printing and publications	1,286.	760.		421.
	23 Other expenses (attach schedule)				
	See Line 23 Stmt	2,800,928.	896,139.		4,961.
	24 Total operating and administrative expenses. Add lines 13 through 23	4,669,262.	1,925,326.		284,878.
25 Contributions, gifts, grants paid	10,400,000.			10,400,000.	
26 Total expenses and disbursements. Add lines 24 and 25	15,069,262.	1,925,326.		10,684,878.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-7,543,250.				
b Net investment income (if negative, enter -0-)		2,482,349.			
c Adjusted net income (if negative, enter -0-)					

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		306.	306.	306.
	2	Savings and temporary cash investments		3,928,102.	1,480,193.	1,480,193.
	3	Accounts receivable ▶ 3,526,266.				
		Less: allowance for doubtful accounts ▶ 0.		3,739.	3,526,266.	3,526,266.
	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 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)		52,697,855.	46,508,960.	68,246,435.
		c Investments — corporate bonds (attach schedule)		0.	525,000.	525,000.
	11	Investments — land, buildings, and equipment: basis ▶				
	Less: accumulated depreciation (attach schedule) ▶					
12	Investments — mortgage loans					
13	Investments — other (attach schedule)		131,561,904.	129,219,934.	157,544,756.	
14	Land, buildings, and equipment: basis ▶ 287,104.					
	Less: accumulated depreciation (attach schedule) ▶ 285,124.		3,960.	1,980.	34,600.	
15	Other assets (describe ▶ oil and gas royalty interest)		0.	0.	230.	
16	Total assets (to be completed by all filers — see the instructions. Also, see page 1, item l).		188,195,866.	181,262,639.	231,357,786.	
LIABILITIES	17	Accounts payable and accrued expenses			80.	
	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	Total liabilities (add lines 17 through 22)				80.
FUNDED ASSETS	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input checked="" type="checkbox"/>					
	24	Unrestricted		188,195,866.	181,262,559.	
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input type="checkbox"/>					
	27	Capital stock, trust principal, or current funds				
	28	Paid-in or capital surplus, or land, bldg., and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds				
30	Total net assets or fund balances (see instructions)		188,195,866.	181,262,559.		
31	Total liabilities and net assets/fund balances (see instructions).		188,195,866.	181,262,639.		

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year — Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	188,195,866.
2	Enter amount from Part I, line 27a	2	-7,543,250.
3	Other increases not included in line 2 (itemize) ▶ See attached schedule	3	3,505,203.
4	Add lines 1, 2, and 3	4	184,157,819.
5	Decreases not included in line 2 (itemize) ▶ See attached schedule	5	2,895,260.
6	Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	181,262,559.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1 a see attached	P	various	various
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 30,573,909.		29,193,417.	1,380,492.
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a 0.	0.	0.	1,380,492.
b			
c			
d			
e			

2 Capital gain net income or (net capital loss).	<div style="border: 1px solid black; padding: 2px; display: inline-block;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div>	2	1,380,492.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):	<div style="border: 1px solid black; padding: 2px; display: inline-block;"> If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8 </div>	3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No
 If 'Yes,' the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.	(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
	2015	12,055,287.	237,282,784.	0.050806
	2014	12,087,257.	237,855,551.	0.050818
	2013	11,254,688.	222,324,491.	0.050623
	2012	10,583,884.	210,815,917.	0.050204
	2011	10,744,703.	213,150,343.	0.050409

2 Total of line 1, column (d)	2	0.252860
3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.050572
4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5.	4	224,549,081.
5 Multiply line 4 by line 3	5	11,355,896.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	24,823.
7 Add lines 5 and 6.	7	11,380,719.
8 Enter qualifying distributions from Part XII, line 4	8	10,684,878.

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

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

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 instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	49,647.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2.		3	49,647.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	49,647.
6 Credits/Payments:			
a 2016 estimated tax pmts and 2015 overpayment credited to 2016		6 a	69,284.
b Exempt foreign organizations – tax withheld at source		6 b	
c Tax paid with application for extension of time to file (Form 8868)		6 c	20,000.
d Backup withholding erroneously withheld		6 d	
7 Total credits and payments. Add lines 6a through 6d		7	89,284.
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" 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	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		10	39,637.
11 Enter the amount of line 10 to be: Credited to 2017 estimated tax 39,637. Refunded		11	

Part VII-A 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 Instructions for the definition)?		X
<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>		
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation \$ _____ (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 Form 990-T 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, col. (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions)		
TEXAS		
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 2016 or the taxable year beginning in 2016 (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 VII-A Statements Regarding Activities (continued)

	11	Yes	No
11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' attach schedule (see instructions)	11		X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes,' attach statement (see instructions)	12		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ <u>www.alkek.org</u>	13	X	
14 The books are in care of ▶ <u>Scott Seaman</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 2016, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
See the instructions for exceptions and filing requirements for FinCEN Form 114. If 'Yes,' enter the name of the foreign country ▶			

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

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

		Yes	No
1 a 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)?	1 b		X
Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>			
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2016?	1 c		X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):			
a At the end of tax year 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years ▶ 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.)	2 b		
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 __			
3 a 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 If 'Yes,' did it have excess business holdings in 2016 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2016.</i>)	3 b		X
4 a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a		X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2016?	4 b		X

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

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

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?. Yes No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions) Yes No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

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

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?

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

6 a 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?

If 'Yes' to 6b, file Form 8870.

7 a 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?

5 b		
6 b		X
7 b		

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
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				

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

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

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter 'NONE.'		
(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
Iridian Asset Management LLC 276 Post Road West Stamford CT 06901	investment management	157,036.
Eagle Capital Management, LLC 499 Park Avenue New York NY 10022	investment management	115,644.
Polen Capital Management, LLC 1825 NW Corporate Blvd., Suite 300 Boca Raton FL 33431	investment management	107,619.
Wells Capital Management 525 Market Street, 10th Floor San Francisco CA 94105	investment management	102,298.
State Street Corporation 801 Pennsylvania Kansas City MO 64105	custody fees	74,555.
Total 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 _____	
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 _____	
2 _____	
All other program-related investments. See instructions.	
3 _____	
Total. Add lines 1 through 3	

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	1 a	64,170,470.
b	Average of monthly cash balances	1 b	4,226,143.
c	Fair market value of all other assets (see instructions)	1 c	159,571,997.
d	Total (add lines 1a, b, and c)	1 d	227,968,610.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	227,968,610.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	3,419,529.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4.	5	224,549,081.
6	Minimum investment return. Enter 5% of line 5	6	11,227,454.

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	11,227,454.
2 a	Tax on investment income for 2016 from Part VI, line 5	2 a	49,647.
b	Income tax for 2016. (This does not include the tax from Part VI.)	2 b	395,000.
c	Add lines 2a and 2b	2 c	444,647.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	10,782,807.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4.	5	10,782,807.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	10,782,807.

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	1 a	10,684,878.
b	Program-related investments — total from Part IX-B.	1 b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	0.
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3 a	0.
b	Cash distribution test (attach the required schedule)	3 b	0.
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	10,684,878.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	10,684,878.

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				10,782,807.
2 Undistributed income, if any, as of the end of 2016:				
a Enter amount for 2015 only			2,295,297.	
b Total for prior years: 20 __, 20 __, 20 __				
3 Excess distributions carryover, if any, to 2016:				
a From 2011	0.			
b From 2012	0.			
c From 2013	0.			
d From 2014	0.			
e From 2015	0.			
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2016 from Part XII, line 4: ▶ \$ 10,684,878.				
a Applied to 2015, but not more than line 2a			2,295,297.	
b Applied to undistributed income of prior years (Election required – see instructions)				
c Treated as distributions out of corpus (Election required – see instructions)				
d Applied to 2016 distributable amount				8,389,581.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2016 (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 2015. Subtract line 4a from line 2a. Taxable amount – see instructions			0.	
f Undistributed income for 2016. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2017				2,393,226.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required – see instructions)				
8 Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2012	0.			
b Excess from 2013	0.			
c Excess from 2014	0.			
d Excess from 2015	0.			
e Excess from 2016	0.			

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2016, enter the date of the ruling. ▶					
b Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)	<input type="checkbox"/> 4942(j)(3) or				<input type="checkbox"/> 4942(j)(5)
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	Tax year	Prior 3 years			(e) Total
	(a) 2016	(b) 2015	(c) 2014	(d) 2013	
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a 'Assets' alternative test — enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b 'Endowment' alternative test — enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c 'Support' alternative test — enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year — see instructions.)

- 1 Information Regarding Foundation Managers:**
- a** List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)
- None
-
- b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.
- None
-
- 2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**
- Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.
- a** The name, address, and telephone number or e-mail address of the person to whom applications should be addressed:
- 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.
-
- 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
a Paid during the year See attached statement				10,400,000.
Total ▶ 3 a				10,400,000.
b Approved for future payment See attached statement				16,281,700.
Total ▶ 3 b				16,281,700.

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 categories like Program service revenue, Fees and contracts from government agencies, Interest on savings, Dividends, Net rental income, Gain or loss from sales, and Subtotal.

(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. Row 11a: Tax-exempt income from pass-throughs excluded by IRC 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
a Transfers from the reporting foundation to a noncharitable exempt organization of:		
(1) Cash		X
(2) Other assets		X
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
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees		X

a Transfers from the reporting foundation to a noncharitable exempt organization of:

- (1) Cash
- (2) Other assets

b Other transactions:

- (1) Sales of assets to a noncharitable exempt organization
- (2) Purchases of assets from a noncharitable exempt organization
- (3) Rental of facilities, equipment, or other assets
- (4) Reimbursement arrangements
- (5) Loans or loan guarantees
- (6) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

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

2 a 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) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer or trustee: [Signature] Date: 11/09/18 Title: Executive Director

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only

Print/Type preparer's name: Cynthia G. Matthews Preparer's signature: [Signature] Date: 11/09/18 Check if self-employed PTIN: P00286341
 Firm's name: Stevens & Matthews LLP Firm's EIN: 26-3922905
 Firm's address: 1177 West Loop South Suite 600
Houston TX 77027 Phone no.: (713) 621-1177

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

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ **Attach to Form 990, Form 990-EZ, or Form 990-PF.**
▶ **Information about Schedule B (Form 990, 990-EZ, 990-PF) and its instructions is at www.irs.gov/form990.**

OMB No. 1545-0047

2016

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

Section:

501(c)() (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

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, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

For an organization described in section 501(c)(3) 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), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions 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 an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled 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. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution. An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer 'No' on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't 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, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2016)

Name of organization Albert and Margaret Alkek Foundation	Employer identification number 76-0491186
---	---

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) Number	(b) Name, address, and ZIP + 4	(c) Total 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 for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Albert and Margaret Alkek Foundation
TIN: 76-0491186
2016 Form 990-PF
Statement of Explanation of Amended Return

Subsequent to filing the taxpayer's 2016 Form 990-T, the taxpayer was informed some of the UBTI information provided by third party investment partnerships was incorrect. The changes reflected on the taxpayer's amended 2016 Form 990-T that affect the 2016 Form 990-PF are reported on this amended return. The taxpayer's 2015 Form 990-PF return has also been amended and those changes are reflected on this return.

	Form 990-PF	Form 990-PF	Form 990-T
	Revenue and expenses per books	Net investment income	UBTI
Net Revenue/Investment Income as Originally Filed (Form 990-PF, Line 27)	-7,658,244	1,881,739	
UBTI Income as Originally Filed (Form 990T, Line 30)			72,441
Pass-through Investments: K-1 Adjustments:			
Amended 2016 K-1	-	-2,543	2,543
Debt-financed Items	-	-69,819	69,819
Depletion	-23,309	0	-23,309
Depreciation	138,196	82,861	55,335
Intangible Drilling Costs	-	590,024	-590,024
Total Pass-through Investments: K-1 Adjustments	114,887	600,523	-485,636
Fund-level Adjustments:			
Disallowed Percentage Depletion	-	-	23,309
Disallowed Charitable Deduction	-	-	1,136
Tax-exempt Income Adjustment	87	87	-
Total Fund-level Adjustments	87	87	24,445
Net Revenue/Net Investment Income/UBTI as Amended	-7,543,250	2,482,349	-388,750

Albert and Margaret Alkek Foundation
TIN: 76-0491186
2016 Amended Form 990-PF Statements

**Page 1, Part I, Line 6a and Page 3, Part IV, Line 1, Column h – Net Gain or Loss from Sale of Assets,
Page 1, Part I, Line 6b and Page 3, Part IV, Line 1, Column e – Gross Sales Price for All Assets:**

	<u>Net Gain or Loss From Sale of Assets</u>	<u>Gross Sales Price</u>
Publicly Traded Securities	-2,622,906	18,336,931
Capital Gain Dividends	759,432	759,432
Security Litigation Settlements	45	45
Pass-through Investments: K-1 Gains	2,145,155	2,145,155
Pass-through Investments: K-1 Losses	-1,639,689	-
Non-US Hedge Funds	2,008,303	8,602,194
Non-US Gains in Excess of Basis	730,152	730,152
Total Page 3, Part IV, Columns h and e	1,380,492	30,573,909
Pass-through Investments: K-1 UBTI	156,113	156,113
Total Page 1, Part I, Lines 6a and 6b	<u>1,536,605</u>	<u>30,730,022</u>

Page 1, Part I, Line 11 – Other Income:

	<u>(a) Revenue Per Books</u>	<u>(b) Net Investment Income</u>
Pass-through Investments: K-1 Income	1,975,805	1,975,805
Pass-through Investments: K-1 UBTI	1,399,101	-
Pass-through Investments: K-1 Tax-exempt Income	87	-
Oil and Gas Royalty Income	176	176
	<u>3,375,169</u>	<u>1,975,981</u>

Albert and Margaret Alkek Foundation
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2016 Amended Form 990-PF Statements

Page 1, Part I, Line 16a, b and c – Legal, Accounting & Other Professional Fees:

	(a) Expenses Per Books	(b) Net Investment Income	(d) Charitable Purposes
<u>16b – Accounting Fees</u>			
Audit Services	18,578	10,980	6,086
Tax Services	4,400	1,210	590
	22,978	12,190	6,676
<u>16c – Other Professional Fees</u>			
Investments: Management Fees	482,597	482,597	-
Investments: Custody Fees	74,555	73,526	-
	557,152	556,123	-

Page 1, Part I, Line 18 – Taxes:

	(a) Expenses Per Books	(b) Net Investment Income
Excise Tax Payments (Form 990-PF)	95,000	-
Income Tax Payments (Form 990-T)	395,000	-
	490,000	-

Page 1, Part I, Line 19 – Depreciation:

	(a) Expenses Per Books	(b) Net Investment Income
Straight line depreciation on Canon copier purchased January 1, 2013	1,980	1,170
	1,980	1,170

Page 1, Part I, Line 23 – Other Expenses:

	(a) Expenses Per Books	(b) Net Investment Income	(d) Charitable Purposes
Pass-through Investments:			
K-1 Deductions	888,191	888,191	-
K-1 Deductions – UBTI	1,898,006	0	-
General and Administrative	14,699	7,916	4,961
Oil and Gas Royalty Expense	32	32	-
	2,800,928	896,139	4,961

Albert and Margaret Alkek Foundation
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2016 Amended Form 990-PF Statements

Page 2, Part II, Line 3 – Accounts Receivable:

	(b) Book Value	(c) Fair Market Value
Liquidation Receivable from an Investment Partnership	3,526,266	3,526,266
	3,526,266	3,526,266

Page 2, Part II, Line 10b – Investments – Corporate Stock:

	(b) Book Value	(c) Fair Market Value
Directly Held	16,352,417	28,303,531
Managed Accounts	30,156,543	39,942,904
	46,508,960	68,246,435

Page 2, Part II, Line 10c – Investments – Corporate Bonds:

	(b) Book Value	(c) Fair Market Value
Directly Held	525,000	525,000
	525,000	525,000

Page 2, Part II, Line 13 – Investments – Other:

	(b) Book Value	(c) Fair Market Value
Non-Marketable Corporate Equity Securities	2,467,374	256,006
US Partnerships, Corporations and Trusts	65,870,238	81,596,542
Non-US Partnerships and Corporations	60,882,322	75,692,208
	129,219,934	157,544,756

Page 2, Part II, Line 14 – Description of Land, Buildings, and Equipment:

	Cost Basis	Accumulated Depreciation	(b) Book Value	(c) Fair Market Value
Furniture	265,537	265,537	0	32,500
Equipment	21,567	19,587	1,980	2,100
	287,104	285,124	1,980	34,600

Albert and Margaret Alkek Foundation
TIN: 76-0491186
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Page 2, Part III – Analysis of Changes in Net Assets or Fund Balances:

Line 3 – Other Increases Not Included in Line 2

Book/tax Differences in Investments	3,585,913
Tax-exempt income	87
	<u>3,586,000</u>

Line 5 – Other Decreases Not Included in Line 2

Book/tax Differences in Investments	2,894,993
Meals Expense Subject to 50% Limitation	265
	<u>2,895,258</u>

Page 3, Part IV, Line 1 – Capital Gains and Losses for Tax on Investment Income:

	<u>(a) Description</u>	<u>(b) How Acquired</u>	<u>(c) Date Acquired</u>	<u>(d) Date Sold</u>
a	Publicly Traded Securities	Purchase	Various	Various
b	Capital Gain Dividends	Purchase	Various	Various
c	Security Litigation Settlements	Purchase	Various	Various
d	Pass-through K-1 Capital Gains	Purchase	Various	Various
e	Pass-through K-1 Capital Losses	Purchase	Various	Various
f	Non-US Hedge Funds	Purchase	Various	Various
g	Non-US Gains in Excess of Basis	Purchase	Various	Various

	<u>(e) Gross Sales Price</u>	<u>(f) Depreciation</u>	<u>(g) Cost Basis</u>	<u>(h) Gain or (loss)</u>
a	18,336,931		20,959,837	-2,622,906
b	759,432			759,432
c	45			45
d	2,145,155			2,145,155
e			1,639,689	-1,639,689
f	8,602,194		6,593,891	2,008,303
g	730,152			730,152
	<u>30,573,909</u>		<u>29,193,417</u>	<u>1,380,492</u>

	<u>(i) FMV 12/31/69</u>	<u>(j) Adj Basis 12/31/69</u>	<u>(k) Excess</u>	<u>(l) Gain or (loss)</u>
a				-2,622,906
b				759,432
c				45
d				2,145,155
e				-1,639,689
f				2,008,303
g				730,152
				<u>1,380,492</u>

Albert and Margaret Alkek Foundation
TIN: 76-0491186
2016 Amended Form 990-PF Statements

Page 6, Part VIII, Line 1 – Information About Officers and Directors:

(a) Name and Address	(b) Title and Average Hours Per Week Devoted to Position	(c) Compensation	(d) Contributions to Employee Benefit Plans
Bobby R. Alford, MD	Director Periodic board meetings	15,000	0
Daniel C. Arnold	Director Periodic board & committee meetings	18,000	0
Sandra Bacak	Assistant Secretary and Controller 40 Hours	119,013	15,170
Joe M. Bailey	Director Periodic board & committee meetings	18,000	0
Paul Klotman, MD	Director Periodic board meetings	15,000	0
Scott B. Seaman	Director, Treasurer, and Executive Director 15 – 40 Hours	363,377	0
Charles A. Williams	Director and President 10 - 25 Hours	155,769	0
Margaret Alkek Williams	Director Periodic board meetings	15,000	0
Randa D. Williams	Director Periodic board & committee meetings	18,000	0
		737,159	15,170

Part VIII, Column (a) 1100 Louisiana Street, Suite 5250, Houston, TX 77002

Part VIII, Column (d) Includes contributions to employee benefit plan and medical insurance premiums.

Part VIII, Column (e) Payments for expense accounts or other allowances: None.

Albert and Margaret Alkek Foundation
TIN: 76-0491186
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Page 11, Part XV, Line 3a – Grants and Contributions Paid:

<u>Recipient Name and Address</u>	<u>Recipient Status</u>	<u>Purpose of Grant or Contribution</u>	<u>Amount</u>
<u>Medical:</u>			
Baylor College of Medicine One Baylor Plaza, MS: BCM 160 Houston, TX 77030	PC	Department of Medicine	3,240,300
Baylor College of Medicine One Baylor Plaza, MS: BCM 160 Houston, TX 77030	PC	Presidential Endowed Chair	1,200,000
Baylor College of Medicine One Baylor Plaza, MS: BCM 160 Houston, TX 77030	PC	Center for Precision Environmental Health	800,000
Baylor College of Medicine One Baylor Plaza, MS: BCM 160 Houston, TX 77030	PC	Ophthalmology and Otolaryngology	250,000
Heart Gift Foundation P.O. Box 691711 Houston, TX 77269	PC	Operational support	25,000
The Methodist Hospital Foundation P.O. Box 4384 Houston, TX 77210	SO I	Center for Performing Arts Medicine	350,000
Texas A&M Foundation Clinical Building 1, Suite 1100 1359 TAMU, 8441 State Hwy 47 Bryan, TX 77807	GOV	Institute of Biosciences and Technology - Center for Advanced Imaging	150,000
Texas Children's Hospital 1919 South Boulevard, Suite 52 Houston, TX 77030	PC	Capital campaign	1,000,000
The University of Texas MD Anderson Cancer Center PO Box 4486 Houston, TX 77210	GOV	Neurodegeneration Consortium	1,000,000
			8,015,300

Albert and Margaret Alkek Foundation
TIN: 76-0491186
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Page 11, Part XV, Line 3a – Grants and Contributions Paid, Continued:

<u>Recipient Name and Address</u>	<u>Recipient Status</u>	<u>Purpose of Grant or Contribution</u>	<u>Amount</u>
<u>Educational:</u>			
Episcopal High School 4650 Bissonnet St Bellaire, TX 77401	PC	Scholarships	54,100
KIPP Inc. 10711 KIPP Way Houston, TX 77099	PC	Houston Public Schools Program	50,000
The Posse Foundation, Inc. 1001 McKinney, Suite 950 Houston, TX 77002	PC	Mentoring program	25,000
Southwestern University P.O. Box 770 Georgetown, TX 78627-0770	PC	Scholarships	100,000
St. Edward's University 3001 South Congress Ave Austin, TX 78704	PC	Scholarships	50,000
St Mary's University One Camino Santa Maria San Antonio, TX 78228	PC	Mechanical Engineering Department	200,000
St Thomas High School 4500 Memorial Drive Houston, TX 77007	PC	Capital campaign	200,000
Texas A&M University-Kingsville Foundation 700 University Blvd, MSC 218 Kingsville, TX 78363	GOV	Caesar Kleberg Wildlife Research Center – The Tio Kleberg Endowed Fund for Applied Wildlife Research	25,000
Texas State University-San Marcos 601 University Dr. San Marcos, TX 78666	GOV	Archives Research Center construction	200,000
TMI – The Episcopal School of Texas 20955 W Tejas Trail San Antonio, TX 78257	PC	Scholarships	187,600
			1,091,700

Albert and Margaret Alkek Foundation
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Page 11, Part XV, Line 3a – Grants and Contributions Paid, Continued:

<u>Recipient Name and Address</u>	<u>Recipient Status</u>	<u>Purpose of Grant or Contribution</u>	<u>Amount</u>
<u>Community:</u>			
Arthur Nagel Community Clinic P.O. Box 519 Bandera, TX 78003	PC	Operational support	25,000
Bandera County Young Life P.O. Box 1751 Bandera, TX 78003	PC	Operational support	30,000
Bandera Public Library Corporation P.O. Box 1568 Bandera, TX 78003	PC	Operational support	2,500
Baylor College of Medicine One Baylor Plaza, MS: BCM 160 Houston, TX 77030	PC	BCM Wellness 5K Race/Walk	10,000
Big Brothers Big Sisters Lone Star 500 Dallas Street, Suite 290 Houston, TX 77002	PC	Capital campaign	100,000
Bobwhite Brigade dba Texas Brigades 3660 Thousand Oaks Drive, No 126 San Antonio, TX 78247	PC	Matching grant for operational support contributions	60,000
Boys and Girls Club of Bandera County P.O. Box 3155 Bandera, TX 78003	PC	Operational support and matching grant	60,000
The Center Foundation 3550 West Dallas Houston, TX 77019	PC	Capital campaign	25,000
The Children's Assessment Center 2500 Bolsover Street Houston, TX 77005	PC	Capital campaign	50,000
Depression and Bipolar Support Alliance Greater Houston PO Box 27607 Houston, TX 77227	PC	Operational support	17,000
Girl Scouts of San Jacinto Council 3110 Southwest Freeway Houston, TX 77098	PC	Operational support	75,000
Nehemiah Center, Inc. 5015 Fannin Street Houston, TX 77004	PC	Operational support	25,000

Albert and Margaret Alkek Foundation
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2016 Amended Form 990-PF Statements

Page 11, Part XV, Line 3a – Grants and Contributions Paid, Continued

<u>Recipient Name and Address</u>	<u>Recipient Status</u>	<u>Purpose of Grant or Contribution</u>	<u>Amount</u>
<u>Community, Continued:</u>			
Pathways for Little Feet 8 Greenway Plaza, Suite 1000 Houston, TX 77046	PC	Operational support	10,000
St. Christopher's Episcopal Church Box 314 Bandera, TX 78003	PC	Operational support	63,500
Sunshine Kids Foundation 2814 Virginia St. Houston, TX 77098	PC	Operational support	15,000
Texas Dept. of Public Safety Foundation 6714 North New Braunfels Ave, Suite 206 San Antonio, TX 78209	PC	Memorial project construction	100,000
			668,000
<u>Cultural:</u>			
Houston Ballet Foundation 601 Preston Houston, TX 77002	PC	Capital campaign	500,000
Houston Botanic Garden 3701 Kirby Drive Houston, TX 77098	PC	Capital campaign	100,000
River Oaks Chamber Orchestra 1973 West Gray Houston, TX 77027	PC	Operational support	25,000
			625,000
			10,400,000

Albert and Margaret Alkek Foundation
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Page 11, Part XV, Line 3b – Grants and Contributions Approved for Future Payment:

<u>Recipient Name and Address</u>	<u>Recipient Status</u>	<u>Purpose of Grant or Contribution</u>	<u>Amount</u>
Baylor College of Medicine One Baylor Plaza, MS: BCM 160 Houston, TX 77030	PC	Department of Medicine	7,781,700
Baylor College of Medicine One Baylor Plaza, MS: BCM 160 Houston, TX 77030	PC	Center for Precision Environmental Health	5,200,000
Baylor College of Medicine One Baylor Plaza, MS: BCM 160 Houston, TX 77030	PC	Presidential Endowed Chair	2,800,000
The Methodist Hospital Foundation P.O. Box 4384 Houston, TX 77210	SO I	Center for Performing Arts Medicine Endowment	500,000
			16,281,700

Attachment to Original Return

The Foundation's Bylaws were amended on May 25, 2017 and were attached to the original filing of Form 990-PF.

Form 990-T

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

OMB No. 1545-0687

2016

For calendar year 2016 or other tax year beginning 2016, and ending

Information about Form 990-T and its instructions is available at www.irs.gov/form990t.

Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

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

Department of the Treasury Internal Revenue Service

Form header section containing: A Check box if address changed; B Exempt under section 501(c)(3); C Book value of all assets at end of year; D Employer identification number; E Unrelated business activity codes; F Group exemption number; G Check organization type (501(c) corporation); H Describe the organization's primary unrelated business activity; I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?; J The books are in care of Scott B. Seaman Telephone number (713) 652-6601

H Describe the organization's primary unrelated business activity. Investment partnerships which generate UBTI. I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No

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

Table with 4 columns: Part I Unrelated Trade or Business Income, (A) Income, (B) Expenses, (C) Net. Rows include: 1a Gross receipts or sales, 1b Less returns and allowances, 2 Cost of goods sold, 3 Gross profit, 4a Capital gain net income, 4b Net gain (loss), 4c Capital loss deduction for trusts, 5 Income (loss) from partnerships and S corporations, 6 Rent income, 7 Unrelated debt-financed income, 8 Interest, annuities, royalties, and rents from controlled organizations, 9 Investment income, 10 Exploited exempt activity income, 11 Advertising income, 12 Other income, 13 Total.

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.)

Table with 4 columns: Line number, Description, Amount, Total. Rows include: 14 Compensation of officers, directors, and trustees; 15 Salaries and wages; 16 Repairs and maintenance; 17 Bad debts; 18 Interest; 19 Taxes and licenses; 20 Charitable contributions; 21 Depreciation; 22 Less depreciation claimed; 23 Depletion; 24 Contributions to deferred compensation plans; 25 Employee benefit programs; 26 Excess exempt expenses; 27 Excess readership costs; 28 Other deductions; 29 Total deductions; 30 Unrelated business taxable income before net operating loss deduction; 31 Net operating loss deduction; 32 Unrelated business taxable income before specific deduction; 33 Specific deduction; 34 Unrelated business taxable income.

Part III Tax Computation

Table with 2 columns: Description and Amount. Rows include Organizations Taxable as Corporations (35), Trusts Taxable at Trust Rates (36), Proxy tax (37), Alternative minimum tax (38), Tax on Non-Compliant Facility Income (39), and Total (40).

Part IV Tax and Payments

Table with 2 columns: Description and Amount. Rows include Foreign tax credit (41a-41e), Other taxes (42-43), Total tax (44), Payments (45a-45g), Estimated tax penalty (47), Tax due (48), Overpayment (49), and Credited to 2017 estimated tax (50).

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

Table with 3 columns: Question, Yes, No. Rows include questions about foreign financial accounts (51), distributions to trusts (52), and tax-exempt interest (53).

Sign Here and Paid Preparer Use Only sections. Includes signature of preparer Cynthia G. Matthews, date 11/09/18, title Executive Director, and firm information Stevens & Matthews LLP.

Albert and Margaret Alkek Foundation
TIN: 76-0491186
2016 Form 990-T
Statement of Explanation of Amended Tax Return

Subsequent to filing the 2016 Form 990-T, the taxpayer was informed some of the UBTI information provided by third party investment partnerships was incorrect. This return is being amended to reflect the correct UBTI information. The taxpayer's 2015 Form 990-T are also being amended because of these changes.

UBTI as Originally Filed (Form 990T, Line 30)	72,441
Pass-through Investments: K-1 Adjustments:	
Amended 2016 K-1	2,543
Debt-financed Items	69,819
Depletion	-23,309
Depreciation	55,335
Intangible Drilling Costs	-590,024
Total Pass-through Investments: K-1 Adjustments	-485,636
Fund-level Adjustment:	
Disallowed Percentage Depletion	23,309
Disallowed Charitable Contributions	1,136
Total Adjustments	-461,191
UBTI as Amended (Form 990T, Line 30)	-388,750

Albert and Margaret Alkek Foundation
TIN: 76-0491186
2016 Amended Form 990-T Supporting Schedules

Page 1, Part I, Line 5 – Income from Partnerships:

Pass-through Investments: K-1 Income	1,399,101
Pass-through Investments: K-1 Gains	156,113
Pass-through Investments: K-1 Deductions*	-1,862,888
	<u>-307,674</u>

* excludes \$23,309 of disallowed percentage depletion

Page 1, Part II, Line 28 – Other Deductions:

Indirect Management and General Expense:	
Allocated Compensation, Taxes, Pension and Insurance	63,095
Allocated Management Fees from Partnerships	11,423
Allocated Professional Fees and General Expense	3,958
Tax Review of Form 990-T	2,600
	<u>81,076</u>