

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

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

For calendar year 2017 or tax year beginning , 2017, and ending , 20

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: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here . . . ▶ <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation . . . ▶ <input type="checkbox"/> E If private foundation status was terminated under section 507(b)(1)(A), check here . . . ▶ <input type="checkbox"/> 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, col. (c), line 16) ▶ \$ 245,428,711.	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.)	

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc., received (attach schedule)	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	50,319.	50,319.		
	4	Dividends and interest from securities	959,940.	959,940.		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	8,515,775.			
	b	Gross sales price for all assets on line 6a 25,437,015.		L-6a Stmt		
	7	Capital gain net income (from Part IV, line 2) . . .		7,954,400.		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
Operating and Administrative Expenses	b	Less: Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule) See Stmt	7,558,876.	4,835,254.		
	12	Total. Add lines 1 through 11	18,647,946.	13,799,913.		
	13	Compensation of officers, directors, trustees, etc.	719,250.	430,905.		232,900.
	14	Other employee salaries and wages	17,550.	778.		16,672.
	15	Pension plans, employee benefits	39,480.	27,042.		8,958.
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)	24,280.	13,811.		7,342.
	c	Other professional fees (attach schedule)	568,600.	567,621.		
	17	Interest				
	18	Taxes (attach schedule) (see instructions) See Stmt	60,011.	11.		
	19	Depreciation (attach schedule) and depletion	1,980.	1,193.		
	20	Occupancy	721.	173.		525.
	21	Travel, conferences, and meetings	152.	38.		82.
	22	Printing and publications	1,440.	868.		461.
23	Other expenses (attach schedule) See Stmt	4,413,402.	1,888,046.		4,404.	
24	Total operating and administrative expenses. Add lines 13 through 23	5,846,866.	2,930,486.		271,344.	
25	Contributions, gifts, grants paid	11,700,000.			11,700,000.	
26	Total expenses and disbursements. Add lines 24 and 25	17,546,866.	2,930,486.		11,971,344.	
27	Subtract line 26 from line 12:					
a	Excess of revenue over expenses and disbursements	1,101,080.				
b	Net investment income (if negative, enter -0-)		10,869,427.			
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	1,480,193.	3,549,995.	3,549,995.
	3 Accounts receivable ▶ 736,858.			
	Less: allowance for doubtful accounts ▶ 0.	3,526,266.	736,858.	736,858.
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U.S. and state government obligations (attach schedule)			
	b Investments—corporate stock (attach schedule)	46,508,960.	51,138,189.	78,842,688.
	c Investments—corporate bonds (attach schedule)	525,000.	525,000.	525,000.
	11 Investments—land, buildings, and equipment: basis ▶			
Liabilities	Less: accumulated depreciation (attach schedule) ▶			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)	129,219,934.	117,456,986.	161,741,979.
	14 Land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation (attach schedule) ▶	1,980.	0.	31,600.
	15 Other assets (describe ▶)	0.	0.	285.
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	181,262,639.	173,407,334.	245,428,711.
	17 Accounts payable and accrued expenses	80.		
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	80.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 24 through 26, and lines 30 and 31.			
	24 Unrestricted	181,262,559.	173,407,334.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 27 through 31.			
	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)	181,262,559.	173,407,334.	
	31 Total liabilities and net assets/fund balances (see instructions)	181,262,639.	173,407,334.	

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	181,262,559.
2 Enter amount from Part I, line 27a	2	1,101,080.
3 Other increases not included in line 2 (itemize) ▶ See Statement	3	4,119,827.
4 Add lines 1, 2, and 3	4	186,483,466.
5 Decreases not included in line 2 (itemize) ▶ See attached schedule	5	13,076,132.
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	173,407,334.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (for example, real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)			(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a See attached statement					
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 24,875,640.	b 0.	c 16,921,240.	d 7,954,400.		
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69.					
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))		
a			d 7,954,400.		
b					
c					
d					
e					
2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }			2	7,954,400.	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). See instructions. If (loss), enter -0- in Part I, line 8 }			3		

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

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

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

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

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.			
(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2016	10,684,878.	224,549,081.	0.047584
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
2 Total of line 1, column (d)			2 0.250035
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5.0, or by the number of years the foundation has been in existence if less than 5 years			3 0.050007
4 Enter the net value of noncharitable-use assets for 2017 from Part X, line 5			4 236,042,537.
5 Multiply line 4 by line 3			5 11,803,779.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 108,694.
7 Add lines 5 and 6			7 11,912,473.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.			8 11,971,344.

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions)		N/A	
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	108,694.	
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	108,694.	
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	108,694.	
6	Credits/Payments:			
a	2017 estimated tax payments and 2016 overpayment credited to 2017	6a	79,637.	
b	Exempt foreign organizations—tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c	75,000.	
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments. Add lines 6a through 6d	7	154,637.	
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	45,943.	
11	Enter the amount of line 10 to be: Credited to 2018 estimated tax 45,943. Refunded	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		x
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? See the instructions for the definition If the answer is "Yes" to 1a or 1b , attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		x
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? If "Yes," attach a detailed description of the activities.		x
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		x
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	x	
b If "Yes," has it filed a tax return on Form 990-T for this year?	x	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by <i>General Instruction T</i> .		x
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	x	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	x	
8a Enter the states to which the foundation reports or with which it is registered. See instructions. ► TX		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by <i>General Instruction G</i> ? If "No," attach explanation	x	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2017 or the tax year beginning in 2017? See the instructions for Part XIV. If "Yes," complete Part XIV		x
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		x

Part VII-A Statements Regarding Activities (continued)

	Yes	No
11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule. See instructions	11	x
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement. See instructions	12	x
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <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 ► 15		
16 At any time during calendar year 2017, 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
1a During the year, did the foundation (either directly or indirectly): (1) Engage in the sale or exchange, or leasing of property with a disqualified person? . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? . . . <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? . . . <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance? See instructions	1b	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 2017?	1c	x
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2017, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2017? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ► 20____, 20____, 20____, 20____		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions.)	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► 20____, 20____, 20____, 20____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 2017 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 2017.)	3b	x
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	x
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2017?	4b	x

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

	Yes	No
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))?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? See instructions	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance? See instructions	5b	
Organizations relying on a current notice regarding disaster assistance, check here		<input type="checkbox"/>
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If "Yes," attach the statement required by Regulations section 53.4945–5(d).		
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	6b	x
If "Yes" to 6b, file Form 8870.		
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	7b	

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

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

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	164,304.
Eagle Capital Management, LLC 499 Park Avenue New York NY 10022	investment management	125,621.
Wells Capital Management 525 Market Street, 10th Floor San Francisco CA 94105	investment management	130,196.
Polen Capital Management 1825 NW Corporate Blvd., Suite 300 Boca Raton FL 33431	investment management	88,691.
State Street Corporation 801 Pennsylvania Kansas City MO 64105	custody fees	86,789.
Total number of others receiving over \$50,000 for professional services		0

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	

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	73,644,154.
b	Average of monthly cash balances	1b	6,756,481.
c	Fair market value of all other assets (see instructions)	1c	159,236,458.
d	Total (add lines 1a, b, and c)	1d	239,637,093.
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	239,637,093.
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	3,594,556.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	236,042,537.
6	Minimum investment return. Enter 5% of line 5	6	11,802,127.

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	11,802,127.
2a	Tax on investment income for 2017 from Part VI, line 5	2a	108,694.
b	Income tax for 2017. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	108,694.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	11,693,433.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	11,693,433.
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	11,693,433.

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	11,971,344.
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8; and Part XIII, line 4	4	11,971,344.
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	108,694.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	11,862,650.

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 2016	(c) 2016	(d) 2017
1 Distributable amount for 2017 from Part XI, line 7				11,693,433.
2 Undistributed income, if any, as of the end of 2017:				
a Enter amount for 2016 only			2,393,226.	
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2017:				
a From 2012 0.				
b From 2013 0.				
c From 2014 0.				
d From 2015 0.				
e From 2016 0.				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2017 from Part XII, line 4: ► \$ 11,971,344.				
a Applied to 2016, but not more than line 2a			2,393,226.	
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 2017 distributable amount				9,578,118.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2017 (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 2016. Subtract line 4a from line 2a. Taxable amount—see instructions			0.	
f Undistributed income for 2017. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2018				2,115,315.
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 2012 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2018. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2013 0.				
b Excess from 2014 0.				
c Excess from 2015 0.				
d Excess from 2016 0.				
e Excess from 2017 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 2017, 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) 2017	(b) 2016	(c) 2015	(d) 2014	
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 $\frac{2}{3}$ 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., to individuals or organizations under other conditions, complete items 2a, b, c, and d. See instructions.

a The name, address, and telephone number or email address of the person to whom applications should be addressed:

See Supplementary Information Statement

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

c Any submission deadlines:

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

Part XV **Supplementary Information** *(continued)***3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient 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 <i>Paid during the year</i> See attached statement				11,700,000.
Total			▶ 3a	11,700,000.
b <i>Approved for future payment</i> See attached statement				12,058,700.
Total			▶ 3b	12,058,700.

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income. (See instructions.)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1	Program service revenue:					
a	_____					
b	_____					
c	_____					
d	_____					
e	_____					
f	_____					
g	Fees and contracts from government agencies					
2	Membership dues and assessments					
3	Interest on savings and temporary cash investments			14	50,319.	
4	Dividends and interest from securities			14	959,940.	
5	Net rental income or (loss) from real estate:					
a	Debt-financed property					
b	Not debt-financed property					
6	Net rental income or (loss) from personal property					
7	Other investment income					
8	Gain or (loss) from sales of assets other than inventory	525990	561,375.	18	7,954,400.	
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory . .					
11	Other revenue: a Passthrough K-1 income	525990	2,711,984.	14	4,834,938.	11,638.
	b Oil and gas royalty revenue			15	316.	
	c _____					
	d _____					
	e _____					
12	Subtotal. Add columns (b), (d), and (e)		3,273,359.		13,799,913.	11,638.
13	Total. Add line 12, columns (b), (d), and (e)				13	17,084,910.

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

Line No.

Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). (See instructions.)

[illegible]

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

- | | | Yes | No |
|----------|--|--------------|----|
| 1 | Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) (other than section 501(c)(3) organizations) or in section 527, relating to political organizations? | | |
| a | Transfers from the reporting foundation to a noncharitable exempt organization of: | | |
| | (1) Cash | 1a(1) | X |
| | (2) Other assets | 1a(2) | X |
| b | Other transactions: | | |
| | (1) Sales of assets to a noncharitable exempt organization | 1b(1) | X |
| | (2) Purchases of assets from a noncharitable exempt organization | 1b(2) | X |
| | (3) Rental of facilities, equipment, or other assets | 1b(3) | X |
| | (4) Reimbursement arrangements | 1b(4) | X |
| | (5) Loans or loan guarantees | 1b(5) | X |
| | (6) Performance of services or membership or fundraising solicitations | 1b(6) | X |
| c | Sharing of facilities, equipment, mailing lists, other assets, or paid employees | 1c | 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. | | |

[illegible]

- 2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) (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

**Sign
Here**

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.

Signature of officer or trustee

11/15/2018
Date

Executive Director
Title

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 _____

Preparer's signature Cynthia J. Mathews

Date _____

4/15/2018

Check ☐ if self-employed

PTIN

P0028634

Firm's name ▶ Stevens & Matthews LLP

Firm's EIN ▶ 26-3922905

Firm's address ► 1177 West Loop South Suite 600

Phone no. (713) 621-1177

BAA

Houston

TX 77027

Form **990-PF** (2017)

Schedule of Contributors

OMB No. 1545-0047

2017

▶ **Attach to Form 990, Form 990-EZ, or Form 990-PF.**
▶ **Go to www.irs.gov/Form990 for the latest information.**

Name of the organization

Albert and Margaret Alkek Foundation

Employer identification number

76-0491186

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☐ 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 $\frac{1}{3}$ % 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).

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) No.	(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.)

Albert and Margaret Alkek Foundation
TIN: 76-0491186
Form 990-PF Statements
For the Year Ended December 31, 2017

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:

	Net Gain or Loss From Sale of Assets	Gross Sales Price
Publicly Traded Securities	2,936,990	15,071,042
Capital Gain Dividends	896,517	896,517
Pass-through Investments: K-1 Capital Gains	4,298,053	4,298,053
Pass-through Investments: K-1 Capital Losses	-1,615,027	0
Non-US Hedge Funds	411,032	3,583,193
Non-US Gains in Excess of Basis	1,026,835	1,026,835
Total Page 3, Part IV, Columns h and e	7,954,400	24,875,640
Pass-through Investments: K-1 UBTI	561,375	561,375
Total Page 1, Part I, Lines 6a and 6b	8,515,775	25,437,015

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

	(a) Revenue Per Books	(b) Net Investment Income
Pass-through Investments: K-1 Income	4,834,938	4,834,938
Pass-through Investments: K-1 UBTI	2,711,984	0
Pass-through Investments: K-1 Tax-exempt Income	11,638	0
Oil and Gas Royalty Income	316	316
	7,558,876	4,835,254

Albert and Margaret Alkek Foundation
TIN: 76-0491186
Form 990-PF Statements
For the Year Ended December 31, 2017

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	21,629	13,028	6,925
Tax Services	2,651	783	417
	<u>24,280</u>	<u>13,811</u>	<u>7,342</u>
<u>16c – Other Professional Fees</u>			
Investments: Management Fees	481,811	481,811	0
Investments: Custody Fees	86,789	85,810	0
	<u>568,600</u>	<u>567,621</u>	<u>0</u>

Page 1, Part I, Line 18 – Taxes:

	(a) Expenses Per Books	(b) Net Investment Income
Excise Tax Payments (Form 990-PF)	60,000	0
Production Taxes on an Oil and Gas Royalty Interest	11	11
	<u>60,011</u>	<u>11</u>

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	1,193
	<u>1,980</u>	<u>1,193</u>

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	1,881,107	1,881,107	0
K-1 Deductions – UBTI	2,518,609	0	0
General and Administrative	13,217	6,470	4,404
Other Investment Expense	440	440	0
Oil and Gas Royalty Expense	29	29	0
	<u>4,413,402</u>	<u>1,888,046</u>	<u>4,404</u>

Albert and Margaret Alkek Foundation
TIN: 76-0491186
Form 990-PF Statements
For the Year Ended December 31, 2017

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

	(b) Book Value	(c) Fair Market Value
Liquidation Receivable from Investment Partnerships	736,778	736,778
Expense Reimbursements Receivable	80	80
	<u>736,858</u>	<u>736,858</u>

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

	(b) Book Value	(c) Fair Market Value
Directly Held	18,246,557	29,344,433
Managed Accounts	32,891,632	49,498,255
	<u>51,138,189</u>	<u>78,842,688</u>

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

	(b) Book Value	(c) Fair Market Value
Directly Held	525,000	525,000
	<u>525,000</u>	<u>525,000</u>

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

	(b) Book Value	(c) Fair Market Value
Non-Marketable Corporate Equity Securities	2,467,374	275,800
US Partnerships, Corporations and Trusts	60,479,609	85,347,535
Non-US Partnerships and Corporations	54,510,002	76,118,644
	<u>117,456,985</u>	<u>161,741,979</u>

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	30,000
Equipment	21,567	21,567	0	1,600
	<u>287,104</u>	<u>287,104</u>	<u>0</u>	<u>31,600</u>

Albert and Margaret Alkek Foundation
TIN: 76-0491186
Form 990-PF Statements
For the Year Ended December 31, 2017

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	4,108,189
Tax-exempt Income	11,638
	<u>4,119,827</u>

Line 5 – Other Decreases Not Included in Line 2

Book/tax Differences in Investments	<u>13,076,132</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	Pass-through K-1 Capital Gains	Purchase	Various	Various
d	Pass-through K-1 Capital Losses	Purchase	Various	Various
e	Non-US Hedge Funds	Purchase	Various	Various
f	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	15,071,042		12,134,052	2,936,990
b	896,517		0	896,517
c	4,298,053		0	4,298,053
d	0		1,615,027	-1,615,027
e	3,583,193		3,172,161	411,032
f	1,026,835		0	1,026,835
	<u>24,875,640</u>		<u>16,921,240</u>	<u>7,954,400</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				2,936,990
b				896,517
c				4,298,053
d				-1,615,027
e				411,032
f				1,026,835
				<u>7,954,400</u>

Albert and Margaret Alkek Foundation
TIN: 76-0491186
Form 990-PF Statements
For the Year Ended December 31, 2017

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	3,750	0
Daniel C. Arnold	Director Periodic board & committee meetings	4,500	0
Sandra Bacak	Assistant Secretary and Controller 40 Hours	123,500	14,950
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	371,500	0
Charles A. Williams	Director and President 10 - 25 Hours	150,000	0
Margaret Alkek Williams	Director Periodic board meetings	15,000	0
Randa D. Williams	Director Periodic board & committee meetings	18,000	0
		719,250	14,950

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.

Page 10, Part XV, Line 2 – Information Regarding Grant Programs:

- a. Name and address: Mr. Charles Williams, President
Albert and Margaret Alkek Foundation
1100 Louisiana St., Suite 5250
Houston, TX 77002
713-652-6601
- b. Application form: See guidelines at www.alkek.org
- c. Submission deadline: None
- d. Restrictions or limitations: Limited to non-profit organizations in the State of Texas

Albert and Margaret Alkek Foundation
TIN: 76-0491186
Form 990-PF Statements
For the Year Ended December 31, 2017

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>			
American Heart Association 10600 Buffalo Speedway Houston, TX 77054	PC	Operational support	25,000
Baylor College of Medicine One Baylor Plaza, MS: BCM 160 Houston, TX 77030	PC	Department of Medicine	5,573,000
Baylor College of Medicine One Baylor Plaza, MS: BCM 160 Houston, TX 77030	PC	Presidential Endowed Chair	1,000,000
Baylor College of Medicine One Baylor Plaza, MS: BCM 160 Houston, TX 77030	PC	Center for Precision Environmental Health	1,000,000
Baylor College of Medicine One Baylor Plaza, MS: BCM 160 Houston, TX 77030	PC	Ophthalmology and Otolaryngology Departments	250,000
Christus Foundation for Healthcare P.O. Box 1919 Houston, TX 77251	PC	Operational support	25,000
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	250,000
Texas A&M Foundation Clinical Building 1, Suite 1100 1359 TAMU, 8441 State Hwy 47 Bryan, TX 77807	GOV	Engineering Medicine Program for Texas A&M Colleges of Medicine and Engineering	150,000
The University of Texas MD Anderson Cancer Center P.O. Box 4486 Houston, TX 77210	GOV	Neurodegeneration Consortium	1,000,000
			<hr/> 9,298,000

Albert and Margaret Alkek Foundation
TIN: 76-0491186
Form 990-PF Statements
For the Year Ended December 31, 2017

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>			
Citizen Schools 3300 S. Gessner, Suite 110 Houston, TX 77063	PC	Operational support	25,000
Episcopal High School 4650 Bissonnet St Bellaire, TX 77401	PC	Scholarships	56,000
KIPP Inc. 10711 KIPP Way Houston, TX 77099	PC	Operational support	55,000
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	25,000
St Mary's University One Camino Santa Maria San Antonio, TX 78228	PC	Mechanical Engineering Department	200,000
Texas A&M University-Kingsville Foundation 700 University Blvd, MSC 218 Kingsville, TX 78363	GOV	Caesar Kleberg Wildlife Research Center	25,000
Texas State University-San Marcos 601 University Dr. San Marcos, TX 78666	GOV	Construction of the Learning Commons in the Albert B. Alkek Library	200,000
TMI – The Episcopal School of Texas 20955 W Tejas Trail San Antonio, TX 78257	PC	Scholarships	190,000
Yellowstone Academy 3000 Trulley Street Houston, TX 77004	PC	Operational support	25,000
			<hr/> 901,000

Albert and Margaret Alkek Foundation
TIN: 76-0491186
Form 990-PF Statements
For the Year Ended December 31, 2017

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>			
Amazing Place 3735 Drexel Drive Houston, TX 77027	PC	Operational support	20,000
American Red Cross – Texas Gulf Coast Region 2700 Southwest Freeway Houston, TX 77098	PC	Purchase of an emergency response vehicle	50,000
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
Bo's Place 10050 Buffalo Speedway Houston, TX 77054	PC	Operational support	15,000
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 Brookwood Community 1752 FM 1489 Brookshire, TX 77423	PC	Capital campaign	300,000
The Center Foundation 3550 West Dallas Houston, TX 77019	PC	Capital campaign	25,000
DePelchin Children's Center 4950 Memorial Drive Houston, TX 77007	PC	Operational support	300,000
Halo House 4010 Blue Bonnet Blvd. #110 Houston, TX 77025	PC	Capital campaign	25,000
Hope and Healing Center and Institute 717 Sage Road Houston, TX 77056	PC	Operational support	50,000

Albert and Margaret Alkek Foundation
TIN: 76-0491186
Form 990-PF Statements
For the Year Ended December 31, 2017

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>			
Houston Golf Association 5810 Wilson Road, Suite 112 Humble, TX 77396	PC	Capital campaign	50,000
The Lighthouse of Houston 3602 West Dallas Houston, TX 77019	PC	Capital campaign	200,000
The Nature Conservancy 200 E. Grayson St., Suite 202 San Antonio, TX 78215	PC	Operational support	100,000
Pathways for Little Feet 8 Greenway Plaza, Suite 1000 Houston, TX 77046	PC	Operational support	10,000
Pro-Vision, Inc. 4590 Wilmington Street Houston, Texas 77051	PC	Capital campaign	25,000
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
			<hr/> 1,411,000
<u>Cultural:</u>			
The John P. McGovern Museum of Health and Medical Science 1515 Hermann Drive Houston, TX 77004	PC	General operations	25,000
River Oaks Chamber Orchestra 1973 West Gray Houston, TX 77027	PC	Operational support	65,000
			<hr/> 90,000
			<hr/> 11,700,000

Albert and Margaret Alkek Foundation
TIN: 76-0491186
Form 990-PF Statements
For the Year Ended December 31, 2017

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	2,208,700
Baylor College of Medicine One Baylor Plaza, MS: BCM 160 Houston, TX 77030	PC	Center for Precision Environmental Health	4,200,000
Baylor College of Medicine One Baylor Plaza, MS: BCM 160 Houston, TX 77030	PC	Presidential Endowed Chair	1,800,000
Houston Ballet Foundation 601 Preston Street Houston, TX 77002	PC	Jubilee of Dance Endowment	2,500,000
The Methodist Hospital Foundation P.O. Box 4384 Houston, TX 77210	SO I	Center for Performing Arts Medicine Endowment	250,000
Texas A&M Foundation Clinical Building 1, Suite 1100 1359 TAMU, 8441 State Hwy 47 Bryan, TX 77807	GOV	Engineering Medicine Program for Texas A&M Colleges of Medicine and Engineering	300,000
Texas State University-San Marcos 601 University Dr. San Marcos, TX 78666	GOV	Construction of the Learning Commons in the Albert B. Alkek Library	800,000
			<u>12,058,700</u>

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

OMB No. 1545-0687

2017Department of the Treasury
Internal Revenue Service

For calendar year 2017 or other tax year beginning _____, 2017, and ending _____, 20 _____.

▶ Go to www.irs.gov/Form990T for instructions and the latest information.

▶ 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**A** ☐ Check box if address changed**B** Exempt under section☒ 501(c)(3)☐ 408(e) ☐ 220(e)☐ 408A ☐ 530(a)☐ 529(a)**C** Book value of all assets at end of year

173,407,334.

Print or TypeName of organization (☐ Check box if name changed and see instructions.)

Albert and Margaret Alkek Foundation

Number, street, and room or suite no. If a P.O. box, see instructions.

1100 Louisiana St, 5250

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

Houston, TX 77002

D Employer identification number (Employees' trust, see instructions.)

76-0491186

E Unrelated business activity codes (See instructions.)

525990

F Group exemption number (See instructions.) ▶**G** Check organization type ▶ ☒ 501(c) corporation ☐ 501(c) trust ☐ 401(a) trust ☐ Other trust**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

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

Part I Unrelated Trade or Business Income

(A) Income

(B) Expenses

(C) Net

1a Gross receipts or sales				
b Less returns and allowances				
c Balance ▶	1c			
2 Cost of goods sold (Schedule A, line 7)	2			
3 Gross profit. Subtract line 2 from line 1c	3			
4a Capital gain net income (attach Schedule D)	4a			
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b			
c Capital loss deduction for trusts	4c			
5 Income (loss) from partnerships and S corporations (attach statement)	5	744,389		744,389
6 Rent income (Schedule C)	6			
7 Unrelated debt-financed income (Schedule E)	7			
8 Interest, annuities, royalties, and rents from controlled organizations (Schedule F)	8			
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9			
10 Exploited exempt activity income (Schedule I)	10			
11 Advertising income (Schedule J)	11			
12 Other income (See instructions; attach schedule)	12			
13 Total. Combine lines 3 through 12	13	744,389		744,389

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.)

14 Compensation of officers, directors, and trustees (Schedule K)	14		
15 Salaries and wages	15		
16 Repairs and maintenance	16		
17 Bad debts	17		
18 Interest (attach schedule)	18		
19 Taxes and licenses	19		
20 Charitable contributions (See instructions for limitation rules)	20	3,280	
21 Depreciation (attach Form 4562)	21		
22 Less depreciation claimed on Schedule A and elsewhere on return	22a		
23 Depletion	23		
24 Contributions to deferred compensation plans	24		
25 Employee benefit programs	25		
26 Excess exempt expenses (Schedule I)	26		
27 Excess readership costs (Schedule J)	27		
28 Other deductions (attach schedule) . . . See Oth Ded Stmt	28	93,056	
29 Total deductions. Add lines 14 through 28	29	96,336	
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30	648,053	
31 Net operating loss deduction (limited to the amount on line 30)	31	388,750	
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32	259,303	
33 Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)	33	1,000	
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34	258,303	

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here <input type="checkbox"/> 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	35c	83,988
36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	36	
37 Proxy tax. See instructions	37	
38 Alternative minimum tax	38	
39 Tax on Non-Compliant Facility Income. See instructions	39	
40 Total. Add lines 37, 38 and 39 to line 35c or 36, whichever applies	40	83,988

Part IV Tax and Payments

41a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	41a		
b Other credits (see instructions)	41b		
c General business credit. Attach Form 3800 (see instructions)	41c		
d Credit for prior year minimum tax (attach Form 8801 or 8827)	41d		
e Total credits. Add lines 41a through 41d	41e		
42 Subtract line 41e from line 40	42	83,988	
43 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)	43		
44 Total tax. Add lines 42 and 43	44	83,988	
45a Payments: A 2016 overpayment credited to 2017	45a	778,748	
b 2017 estimated tax payments	45b		
c Tax deposited with Form 8868	45c		
d Foreign organizations: Tax paid or withheld at source (see instructions)	45d		
e Backup withholding (see instructions)	45e		
f Credit for small employer health insurance premiums (Attach Form 8941)	45f		
g Other credits and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other Total	45g		
46 Total payments. Add lines 45a through 45g	46	778,748	
47 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	47		
48 Tax due. If line 46 is less than the total of lines 44 and 47, enter amount owed	48		
49 Overpayment. If line 46 is larger than the total of lines 44 and 47, enter amount overpaid	49	694,760	
50 Enter the amount of line 49 you want: Credited to 2018 estimated tax 694,760. Refunded	50		

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


51 At any time during the 2017 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 FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here	Yes	No
		X
52 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.		X
53 Enter the amount of tax-exempt interest received or accrued during the tax year \$ 9,061.		

Sign Here

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.

Signature of officer 	Date 11/15/2018	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 	Date 11/15/2018	Check <input type="checkbox"/> if self-employed	PTIN P00286341
Firm's name ▶ Stevens & Matthews LLP	Firm's EIN ▶ 26-3922905	Phone no. (713) 621-1177		
Firm's address ▶ Stevens & Matthews LLP, 1177 West Loop South Suite 600, TX 77027				

Form **990-T** (2017)

Domestic Production Activities Deduction

OMB No. 1545-1984

Attachment
Sequence No. **143**

► Attach to your tax return. ► See separate instructions.

Name(s) as shown on return

Albert and Margaret Alkek Foundation

Identifying number

76-0491186

Note. Do not complete column (a), unless you have oil-related production activities. Enter amounts for all activities in column (b), including oil-related production activities.

	(a) Oil-related production activities	(b) All activities
1 Domestic production gross receipts (DPGR)	1 1,911,717	2,647,576
2 Allocable cost of goods sold. If you are using the small business simplified overall method, skip lines 2 and 3	2	
3 Enter deductions and losses allocable to DPGR (see instructions)	3	
4 If you are using the small business simplified overall method, enter the amount of cost of goods sold and other deductions or losses you ratably apportion to DPGR. All others, skip line 4	4 1,034,231	1,734,949
5 Add lines 2 through 4	5 1,034,231	1,734,949
6 Subtract line 5 from line 1	6 877,486	912,627
7 Qualified production activities income from estates, trusts, and certain partnerships and S corporations (see instructions)	7 0	0
8 Add lines 6 and 7. Estates and trusts, go to line 9, all others, skip line 9 and go to line 10	8 877,486	912,627
9 Amount allocated to beneficiaries of the estate or trust (see instructions)	9	
10a Oil-related qualified production activities income. Estates and trusts, subtract line 9, column (a), from line 8, column (a), all others, enter amount from line 8, column (a). If zero or less, enter -0- here	10a 877,486	
b Qualified production activities income. Estates and trusts, subtract line 9, column (b), from line 8, column (b), all others, enter amount from line 8, column (b). If zero or less, enter -0- here, skip lines 11 through 21, and enter -0- on line 22	10b	912,627
11 Income limitation (see instructions): • Individuals, estates, and trusts. Enter your adjusted gross income figured without the domestic production activities deduction • All others. Enter your taxable income figured without the domestic production activities deduction (tax-exempt organizations, see instructions)	11	274,790
12 Enter the smaller of line 10b or line 11. If zero or less, enter -0- here, skip lines 13 through 21, and enter -0- on line 22	12	274,790
13 Enter 9% of line 12	13	24,731
14a Enter the smaller of line 10a or line 12	14a 274,790	
b Reduction for oil-related qualified production activities income. Multiply line 14a by 3%	14b	8,244
15 Subtract line 14b from line 13	15	16,487
16 Form W-2 wages (see instructions)	16	0
17 Form W-2 wages from estates, trusts, and certain partnerships and S corporations (see instructions)	17	145,357
18 Add lines 16 and 17. Estates and trusts, go to line 19, all others, skip line 19 and go to line 20	18	145,357
19 Amount allocated to beneficiaries of the estate or trust (see instructions)	19	
20 Estates and trusts, subtract line 19 from line 18, all others, enter amount from line 18	20	145,357
21 Form W-2 wage limitation. Enter 50% of line 20	21	72,679
22 Enter the smaller of line 15 or line 21.	22	16,487
23 Domestic production activities deduction from cooperatives. Enter deduction from Form 1099-PATR, box 6	23	
24 Expanded affiliated group allocation (see instructions)	24	
25 Domestic production activities deduction. Combine lines 22 through 24 and enter the result here and on Form 1040, line 35; Form 1120, line 25; or the applicable line of your return	25	16,487

Albert and Margaret Alkek Foundation
TIN: 76-0491186
Form 990-T Supporting Schedules
For the Year Ended December 31, 2017

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

Income	2,711,984
Realized Gains	561,375
Deductions*	-2,528,970
	<u>744,389</u>

*Includes \$23,309 of disallowed percentage depletion from 2016

Page 1, Part II, Line 20 – Charitable Contributions:

Charitable Contribution – Exponent Philanthropy - 2017	1,500
Pass-through K-1 Charitable Contributions – 2017	644
Charitable Contribution – Exponent Philanthropy – 2016*	750
Pass-through K-1 Charitable Contributions – 2016*	386
	<u>3,280</u>

*Includes \$1,136 of disallowed charitable contributions from 2016

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

Indirect Management and General Expense:	
Allocated Compensation, Taxes, Pension and Insurance	59,025
Allocated Management Fees from Partnerships	12,304
Allocated Professional Fees and General Expense	3,875
Tax Review of Form 990-T	1,365
Domestic Production Activities Deduction	16,487
	<u>93,056</u>

Page 1, Part II, Line 31 – Net Operating Loss Deduction:

	Beginning Net Operating Loss Carryforward	Net Operating Loss Carryforward	Application of Net Operating Loss Deduction	Ending Net Operating Loss Carryforward
2016	0	388,750	0	388,750
2017	388,750	0	388,750	0
		<u>388,750</u>	<u>388,750</u>	