

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

Department of the Treasury Internal Revenue Service

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1912

For calendar year 2019 or tax year beginning, 2019, and ending, 20

Name of foundation: Albert and Margaret Alkek Foundation. A Employer identification number: 76-0491186. B Telephone number: (713) 652-6601. C If exemption application is pending, check here. D 1 Foreign organizations, check here. D 2 Foreign organizations meeting the 85% test, check here and attach computation. E If private foundation status was terminated under section 507(b)(1)(A), check here. F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here.

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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))

Table with 5 columns: (a) Revenue and expenses per books, (b) Net investment income, (c) Adjusted net income, (d) Disbursements for charitable purposes (cash basis only). Rows include Revenue (1-12) and Operating and Administrative Expenses (13-26), followed by summary rows (27-29).

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)			
		Beginning of year (a) Book Value	End of year (b) Book Value (c) Fair Market Value		
Assets	1	Cash—non-interest-bearing	306	306.	306
	2	Savings and temporary cash investments	15,737,295	21,842,839	21,843,496
	3	Accounts receivable ▶ 3,553,502			
		Less allowance for doubtful accounts ▶ 0.	1,655,298.	3,553,502.	3,553,502
	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)	57,728,134	53,944,448.	79,688,107.
	c	Investments—corporate bonds (attach schedule)		100,000	100,000
	11	Investments—land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶				
12	Investments—mortgage loans				
13	Investments—other (attach schedule)	100,947,215.	99,349,391	140,702,718.	
14	Land, buildings, and equipment basis ▶ 287,104.				
	Less accumulated depreciation (attach schedule) ▶ 287,104	0.	0	29,850	
15	Other assets (describe ▶)	0.	0	365.	
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	176,068,248.	178,790,486	245,918,344	
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)			
	23	Total liabilities (add lines 17 through 22)			
Net Assets or Fund Balances	Foundations that follow FASB ASC 958, check here ▶ <input checked="" type="checkbox"/> and complete lines 24, 25, 29, and 30.				
	24	Net assets without donor restrictions	176,068,248.	178,790,486	
	25	Net assets with donor restrictions			
	Foundations that do not follow FASB ASC 958, check here ▶ <input type="checkbox"/> and complete lines 26 through 30.				
	26	Capital stock, trust principal, or current funds			
	27	Paid-in or capital surplus, or land, bldg, and equipment fund			
	28	Retained earnings, accumulated income, endowment, or other funds			
29	Total net assets or fund balances (see instructions)	176,068,248	178,790,486.		
30	Total liabilities and net assets/fund balances (see instructions)	176,068,248.	178,790,486		

Part III Analysis of Changes in Net Assets or Fund Balances			
1	Total net assets or fund balances at beginning of year—Part II, column (a), line 29 (must agree with end-of-year figure reported on prior year's return)	1	176,068,248.
2	Enter amount from Part I, line 27a	2	2,959,732.
3	Other increases not included in line 2 (itemize) ▶ <u>Book/tax differences in investments</u>	3	3,435,265
4	Add lines 1, 2, and 3	4	182,463,245.
5	Decreases not included in line 2 (itemize) ▶ <u>Book/tax differences in investments</u>	5	3,672,759.
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 29	6	178,790,486.

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 schedule		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 60,475,868.	0.	47,009,640.	13,466,228	
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))	
(j) FMV as of 12/31/69	(k) Adjusted basis as of 12/31/69	(l) Excess of col (j) over col (k), if any		
a 0.	0.	0.	13,466,228	
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	13,466,228
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))
2018	11,822,582.	239,533,593.	0.049357
2017	11,862,650.	236,042,537.	0.050256
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
2 Total of line 1, column (d)			2 0.248821
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 0.049764
4 Enter the net value of noncharitable-use assets for 2019 from Part X, line 5			4 236,536,852
5 Multiply line 4 by line 3			5 11,771,020
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 146,985
7 Add lines 5 and 6			7 11,918,005.
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 11,925,226

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	146,985
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	146,985
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	146,985
6	Credits/Payments		
a	2019 estimated tax payments and 2018 overpayment credited to 2019	6a	176,818
b	Exempt foreign organizations—tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	176,818
8	Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	2,464
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	27,369
11	Enter the amount of line 10 to be Credited to 2020 estimated tax Refunded	11	27,369

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 2019 or the tax year beginning in 2019? See the instructions for Part XIV. If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

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Part VII-A Statements Regarding Activities (continued)

	Yes	No
11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule See instructions		X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement See instructions		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ <u>www.alkek.org</u>	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 2019, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114 If "Yes," enter the name of the foreign country ▶		X

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

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

	Yes	No
1a During the year, did the foundation (either directly or indirectly) (1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance? See instructions Organizations relying on a current notice regarding disaster assistance, check here ▶ <input type="checkbox"/>		X
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2019?		X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2019, did the foundation have any undistributed income (Part XIII, lines 6d and 6e) for tax year(s) beginning before 2019? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ <u>20</u> , <u>20</u> , <u>20</u> , <u>20</u>		
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)		
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ <u>20</u> , <u>20</u> , <u>20</u> , <u>20</u>		
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 2019 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Form 4720, Schedule C, to determine if the foundation had excess business holdings in 2019)		X
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2019?		X

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

5a	During the year, did the foundation pay or incur any amount to		Yes	No
(1)	Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? See instructions	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance? See instructions Organizations relying on a current notice regarding disaster assistance, check here	<input type="checkbox"/>	5b	
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)	<input type="checkbox"/> Yes <input type="checkbox"/> No		
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? If "Yes" to 6b, file Form 8870		6b	X
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	
8	Is the foundation subject to the section 4960 tax on payment(s) of more than \$1,000,000 in remuneration or excess parachute payment(s) during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

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

1 List all officers, directors, trustees, and foundation managers and their compensation. See instructions.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
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 Westport CT 06880	investment management	162,606.
Eagle Capital Management, LLC 499 Park Avenue New York NY 10022	investment management	147,484.
Polen Capital Management 1825 NW Corporate Blvd., Suite 300 BOCA RATON FL 33431	investment management	109,234.
Wells Capital Management 525 Market Street, 12th Floor San Francisco CA 94105	investment management	68,868.
State Street Corporation 801 Pennsylvania Ave Kansas City MO 64105	custody services	65,425.
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	78,933,304
b	Average of monthly cash balances	1b	20,649,765
c	Fair market value of all other assets (see instructions)	1c	140,555,867
d	Total (add lines 1a, b, and c)	1d	240,138,936.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	240,138,936.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	3,602,084
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	236,536,852.
6	Minimum investment return. Enter 5% of line 5	6	11,826,843

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	11,826,843
2a	Tax on investment income for 2019 from Part VI, line 5	2a	146,985
2b	Income tax for 2019 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	146,985.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	11,679,858
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	11,679,858.
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	11,679,858.

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	11,925,226.
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	0
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	0.
b	Cash distribution test (attach the required schedule)	3b	0
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	11,925,226
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	146,985
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	11,778,241

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2018	(c) 2018	(d) 2019
1 Distributable amount for 2019 from Part XI, line 7				11,679,858
2 Undistributed income, if any, as of the end of 2019				
a Enter amount for 2018 only			1,980,621.	
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2019				
a From 2014	0.			
b From 2015	0.			
c From 2016	0.			
d From 2017	0			
e From 2018	0.			
f Total of lines 3a through e	0			
4 Qualifying distributions for 2019 from Part XII, line 4 ▶ \$ 11,925,226				
a Applied to 2018, but not more than line 2a			1,980,621	
b Applied to undistributed income of prior years (Election required—see instructions)				
c Treated as distributions out of corpus (Election required—see instructions)				
d Applied to 2019 distributable amount				9,944,605.
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2019 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	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		0.		
d Subtract line 6c from line 6b Taxable amount—see instructions		0.		
e Undistributed income for 2018 Subtract line 4a from line 2a Taxable amount—see instructions			0.	
f Undistributed income for 2019 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2020				1,735,253.
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)	0.			
8 Excess distributions carryover from 2014 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2020. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2015	0.			
b Excess from 2016	0			
c Excess from 2017	0.			
d Excess from 2018	0			
e Excess from 2019	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 2019, enter the date of the ruling
- b** Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year				(e) Total
	(a) 2019	(b) 2018	(c) 2017	(d) 2016	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
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, refits, 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	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<p>a <i>Paid during the year</i> See attached statement</p>				11,650,000
Total				3a 11,650,000
<p>b <i>Approved for future payment</i> See attached statement</p>				6,062,700
Total				3b 6,062,700.

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
▶ Go to www.irs.gov/Form990 for the latest information

OMB No 1545-0047

2019

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 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
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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)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)

Albert and Margaret Alkek Foundation
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**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	5,254,422	45,035,915
Capital Gain Dividends	1,505,806	1,505,806
Pass-through Investments K-1 Capital Gains	3,230,149	3,230,149
Pass-through Investments K-1 Capital Losses	-520,985	0
Non-US Hedge Funds	2,893,794	9,600,956
Non-US Gains in Excess of Basis	1,103,042	1,103,042
Total Page 3, Part IV, Columns h and e	13,466,228	60,475,868
Pass-through Investments K-1 UBTI	247,005	247,005
Total Page 1, Part I, Lines 6a and 6b	13,713,233	60,722,873

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

	(a) Revenue Per Books	(b) Net Investment Income
Pass-through Investments K-1 Taxable Income	1,718,689	1,718,689
Pass-through Investments Section 965(a) Inclusion	14,307	14,307
Pass-through Investments K-1 UBTI	4,145,090	0
Oil and Gas Royalty Income	73	73
	5,878,159	1,733,069

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	21,575	13,006	6,812
Tax Services	9,984	3,034	1,400
	31,559	16,040	8,212
<u>16c – Other Professional Fees</u>			
Investments Management Fees	488,193	488,193	0
Investments Custody Fees	65,425	64,113	0
	553,618	552,306	0

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Page 1, Part I, Line 18 – Taxes:

	(a) Expenses Per Books	(b) Net Investment Income
Excise Tax Payments (Form 990-PF)	175,000	0
Excise Tax Penalty and Interest Payments for Amended Returns (Form 990-PF)	4,500	0
	179,500	0

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	1,080,324	1,080,324	0
K-1 Deductions – Sec 965(c)	444	0	0
K-1 Deductions – UBTI	5,513,889	0	0
General and Administrative	15,126	7,316	6,086
	6,609,783	1,087,640	6,086

Page 2, Part II, Line 3 – Accounts Receivable

	(b) Book Value	(c) Fair Market Value
Liquidation Receivable from Investment Partnerships	3,553,502	3,553,502
	3,553,502	3,553,502

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

	(b) Book Value	(c) Fair Market Value
Directly Held	19,332,301	27,477,525
Managed Accounts	34,612,147	52,210,582
	53,944,448	79,688,107

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

	(b) Book Value	(c) Fair Market Value
Non-Marketable Corporate Equity Securities	3,055,400	863,826
US Partnerships, Corporations and Trusts	48,882,231	65,946,631
Non-US Partnerships and Corporations	47,411,759	73,892,261
	99,349,390	140,702,718

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

	<u>Cost Basis</u>	<u>Accumulated Depreciation</u>	<u>(b) Book Value</u>	<u>(c) Fair Market Value</u>
Furniture	265,537	265,537	0	29,000
Equipment	21,567	21,567	0	850
	<u>287,104</u>	<u>287,104</u>	<u>0</u>	<u>29,850</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	45,035,915		39,781,493	5,254,422
b	1,505,806		0	1,505,806
c	3,230,149		0	3,230,149
d	0		520,985	-520,985
e	9,600,956		6,707,162	2,893,794
f	1,103,042		0	1,103,042
	<u>60,475,868</u>		<u>47,009,640</u>	<u>13,466,228</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				5,254,422
b				1,505,806
c				3,230,149
d				-520,985
e				2,893,794
f				1,103,042
				<u>13,466,228</u>

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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
Sandra Bacak	Assistant Secretary and Controller 40 Hours	132,500	16,135
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	384,500	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
		733,000	16,135

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

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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 (5 grants) One Baylor Plaza, MS BCM 160 Houston, TX 77030	PC	Center for Precision Environmental Health	2,448,000
		Department of Molecular Virology and Microbiology	2,000,000
		Therapeutic Innovation Center	2,000,000
		Presidential Endowed Chair	600,000
		Ophthalmology and Otolaryngology Departments	250,000
HeartGift Foundation P O Box 691711 Houston, TX 77269	PC	Operational support	25,000
Texas A&M Foundation Clinical Building 1, Suite 1100 1359 TAMU 8441 State Hwy 47 Bryan, TX 77807-1359	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	Metastasis Research	1,000,000
			8,473,000
<u>Cultural</u>			
Bandera Natural History Museum P O Box 1555 Bandera, TX 78003	PC	Operational support	25,000
Houston Ballet Foundation 601 Preston Street Houston, TX 77002	PC	Capital campaign - Jubilee of Dance Endowment	1,250,000
Museum of Fine Arts, Houston P O Box 6826 Houston, TX 77265-6826	PC	Endowment for the Director	200,000
River Oaks Chamber Orchestra 1973 West Gray, Suite 3 Houston, TX 77027	PC	Operational support	50,000
			1,525,000

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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>			
AccessHealth 400 Austin Street Richmond, Texas 77469	PC	Senior Care Team	40,000
Amazing Place 3735 Drexel Drive Houston, Texas 77027	PC	Operational support	25,000
American Heart Association – Houston 10060 Buffalo Speedway Houston, Texas 77054	PC	CPR in School Kits	25,000
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	Computer upgrades	2,500
Baylor College of Medicine One Baylor Plaza, MS BCM 160 Houston, TX 77030	PC	BCM Wellness 5K Race/Walk	10,000
Boys and Girls Club of Bandera County P O Box 3155 Bandera, TX 78003	PC	Operational support	60,000
The Center for Hearing and Speech 1417 Houston Avenue Houston, Texas 77007	PC	Capital Campaign	25,000
Childbuilders 2425 Fountainview Dr , Ste 210 Houston, Texas 77057	PC	Program support	25,000
Children at Risk 2900 Wesleyan St , Ste 400 Houston, Texas 77027	PC	Safety Education Program	25,000
Christian Community Service Center, Inc P O Box 27924 Houston, Texas 77227	PC	Capital Campaign	100,000
CHRISTUS Foundation for Healthcare P O Box 1919 Houston, Texas 77251	PC	School-based Clinics	40,000

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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> (Continued)			
Mental Health American of Greater Houston 2211 Norfolk, Suite 810 Houston, TX 77098	PC	Hurricane Harvey resilience-focused programming	100,000
Pathways for Little Feet 9 Greenway Plaza, Suite 3150 Houston, TX 77046	PC	Operational support	10,000
re Mind P O Box 27607 Houston, TX 77227	PC	Operational support	25,000
St Christopher's Episcopal Church Box 314 Bandera, TX 78003	PC	Operational support	59,500
Tejas Health Care P O Box 1251 La Grange, TX 78945	PC	LaGrange Clinic renovations	100,000
Texas Brigades 3660 Thousand Oaks Dr , Ste 126 San Antonio, TX 78247	PC	Operational support	60,000
The Witte Museum 3801 Broadway San Antonio, TX 78209	PC	Land Stewardship Ambassador Program	30,000
			817,000
<u>Educational</u>			
Episcopal High School P O Box 271299 Houston, TX 77277	PC	Alkek Scholars Program	60,000
Southwestern University P O Box 770 Georgetown, TX 78627-0770	PC	Scholarship program	100,000
St Mary's University One Camino Santa Maria San Antonio, TX 78228	PC	School of Science, Engineering and Technology	200,000
Texas A&M University-Kingsville Caesar Kleberg Wildlife Research Institute 700 University Blvd, MSC 218 Kingsville, TX 78363	GOV	Captive Ungulate Facility	10,000

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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> (Continued)			
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	Alkek Scholarships	180,000
University of Houston-Victoria 3007 N Ben Wilson Houston, TX 77901	GOV	Scholarship endowment for first-generation students	35,000
University of Texas at Austin College of Liberal Arts 116 Inner Campus Dr , G-6300 Austin, Texas 78712	GOV	Department of Germanic Studies	50,000
			835,000
			11,650,000

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 (2 grants) One Baylor Plaza, MS BCM 160 Houston, TX 77030	PC	Presidential Endowed Chair	600,000
		Center for Precision Environmental Health	232,700
Museum of Fine Arts, Houston P O Box 6826 Houston, TX 77265-6826	PC	Endowment for the Director	4,800,000
Texas State University-San Marcos 601 University Dr San Marcos, TX 78666	GOV	Construction of the Learning Commons in the Albert B Alkek Library	400,000
University of Houston-Victoria 3007 N Ben Wilson Houston, TX 77901	GOV	Scholarship endowment for first-generation students	30,000
			6,062,700