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Return of Organization Exempt From Income Tax

2007

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Department of the Treasury Internal Revenue Service(77)

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2007 calendar year, or tax year beginning 10/01, 2007, and ending 9/30, 2008

- B Check if applicable: Address change, Name change, Initial return, Termination, Amended return, Application pending

C Please use IRS label or print or type See specific instructions. Webb County Heritage Foundation, 500 Flores, Laredo, TX 78040

D Employer Identification Number 74-2096498, E Telephone number 956-727-0977, F Accounting method: X Cash, Accrual, Other (specify)

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

- H and I are not applicable to section 527 organizations. H(a) Is this a group return for affiliates? H(b) If 'Yes,' enter number of affiliates. H(c) Are all affiliates included? H(d) Is this a separate return filed by an organization covered by a group ruling?

G Web site: N/A

J Organization type (check only one): X 501(c) 3 (insert no) 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000

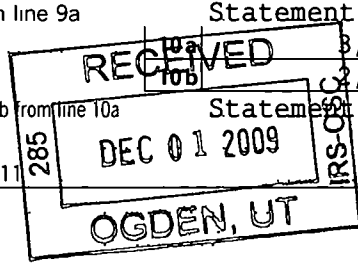
I Group Exemption Number, M Check if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF)

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: 243,072.

Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Table with 21 rows and 3 columns: Description, Amount, and Total. Includes sub-rows for 1a-1d, 6a-6c, 8a-8c, 9a-9c, 10a-10c, 13-17, 18-21.

SCANNED JAN 01 2010



917 18

**Statement of Functional Expenses** All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others (See instruct)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
<b>22a</b> Grants paid from donor advised funds (attach sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	<b>22a</b>			
<b>22b</b> Other grants and allocations (att sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	<b>22b</b>			
<b>23</b> Specific assistance to individuals (attach schedule)	<b>23</b>			
<b>24</b> Benefits paid to or for members (attach schedule)	<b>24</b>			
<b>25a</b> Compensation of current officers, directors, key employees, etc listed in Part V-A	<b>25a</b> 44,568.	33,426.	11,142.	0.
<b>b</b> Compensation of former officers, directors, key employees, etc listed in Part V-B	<b>25b</b> 0.	0.	0.	0.
<b>c</b> Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	<b>25c</b> 0.	0.	0.	0.
<b>26</b> Salaries and wages of employees not included on lines 25a, b, and c	<b>26</b> 108,222.	81,167.	27,055.	
<b>27</b> Pension plan contributions not included on lines 25a, b, and c	<b>27</b> 20,514.	15,386.	5,128.	
<b>28</b> Employee benefits not included on lines 25a - 27	<b>28</b>			
<b>29</b> Payroll taxes	<b>29</b> 12,722.	9,542.	3,180.	
<b>30</b> Professional fundraising fees	<b>30</b>			
<b>31</b> Accounting fees	<b>31</b>			
<b>32</b> Legal fees	<b>32</b>			
<b>33</b> Supplies	<b>33</b> 3,252.	2,439.	813.	
<b>34</b> Telephone	<b>34</b>			
<b>35</b> Postage and shipping	<b>35</b> 699.	524.	175.	
<b>36</b> Occupancy	<b>36</b>			
<b>37</b> Equipment rental and maintenance	<b>37</b>			
<b>38</b> Printing and publications	<b>38</b>			
<b>39</b> Travel	<b>39</b> 375.	281.	94.	
<b>40</b> Conferences, conventions, and meetings	<b>40</b>			
<b>41</b> Interest	<b>41</b> 14,492.	10,869.	3,623.	
<b>42</b> Depreciation, depletion, etc (attach schedule)	<b>42</b> 3,000.	2,250.	750.	
<b>43</b> Other expenses not covered above (itemize)				
<b>a</b> See Statement 4	<b>43a</b> 75,402.	42,242.	14,077.	19,083.
<b>b</b>	<b>43b</b>			
<b>c</b>	<b>43c</b>			
<b>d</b>	<b>43d</b>			
<b>e</b>	<b>43e</b>			
<b>f</b>	<b>43f</b>			
<b>g</b>	<b>43g</b>			
<b>44</b> Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	<b>44</b> 283,246.	198,126.	66,037.	19,083.

Joint Costs. Check  if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No  
 If 'Yes,' enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_, (ii) the amount allocated to Program services \$ \_\_\_\_\_, (iii) the amount allocated to Management and general \$ \_\_\_\_\_, and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III** Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? <b>Historical Preservation</b> All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others.)
<b>a</b> See Statement 5 ----- ----- ----- ----- ----- (Grants and allocations \$ _____ ) If this amount includes foreign grants, check here <input type="checkbox"/>	198,126.
<b>b</b> ----- ----- ----- ----- ----- (Grants and allocations \$ _____ ) If this amount includes foreign grants, check here <input type="checkbox"/>	
<b>c</b> ----- ----- ----- ----- ----- (Grants and allocations \$ _____ ) If this amount includes foreign grants, check here <input type="checkbox"/>	
<b>d</b> ----- ----- ----- ----- ----- (Grants and allocations \$ _____ ) If this amount includes foreign grants, check here <input type="checkbox"/>	
<b>e</b> Other program services (Grants and allocations \$ _____ ) If this amount includes foreign grants, check here <input type="checkbox"/>	
<b>f Total of Program Service Expenses</b> (should equal line 44, column (B), Program services) <input type="checkbox"/>	198,126.

**Part IV Balance Sheets** (See the instructions.)

**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A) Beginning of year		(B) End of year
ASSETS	45 Cash – non-interest-bearing	81,302.	45	27,483.
	46 Savings and temporary cash investments		46	
	47 a Accounts receivable		47 a	
	b Less allowance for doubtful accounts		47 b	47 c
	48 a Pledges receivable		48 a	
	b Less allowance for doubtful accounts		48 b	48 c
	49 Grants receivable		49	
	50 a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50 a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		50 b	
	51 a Other notes and loans receivable (attach schedule)		51 a	
	b Less allowance for doubtful accounts		51 b	51 c
	52 Inventories for sale or use	12,503.	52	14,484.
	53 Prepaid expenses and deferred charges		53	
	54 a Investments – publicly-traded securities		54 a	
	b Investments – other securities (attach sch)		54 b	
	55 a Investments – land, buildings, & equipment basis		55 a	
	b Less accumulated depreciation (attach schedule)		55 b	55 c
	56 Investments – other (attach schedule)		56	
	57 a Land, buildings, and equipment: basis	173,168.	57 a	
b Less accumulated depreciation (attach schedule) <b>Statement 6</b>	34,487.	57 b	57 c	
58 Other assets, including program-related investments (describe ▶ _____)	992.	58	138,681.	
59 <b>Total assets</b> (must equal line 74) Add lines 45 through 58	94,797.	59	180,648.	
LIABILITIES	60 Accounts payable and accrued expenses		60	
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64 a Tax-exempt bond liabilities (attach schedule)		64 a	
	b Mortgages and other notes payable (attach schedule) <b>See Statement 7</b>	85,248.	64 b	194,106.
	65 Other liabilities (describe ▶ <b>See Statement 8</b> _____)	2,506.	65	8,641.
66 <b>Total liabilities.</b> Add lines 60 through 65	87,754.	66	202,747.	
NET ASSETS OR FUND BALANCES	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted	7,043.	67	-22,099.
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
73 <b>Total net assets or fund balances.</b> Add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21).	7,043.	73	-22,099.	
74 <b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73	94,797.	74	180,648.	

**Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return** (See the instructions.)

<b>a</b>	Total revenue, gains, and other support per audited financial statements		<b>a</b>	N/A
<b>b</b>	Amounts included on line <b>a</b> but not on Part I, line 12			
	1 Net unrealized gains on investments	<b>b1</b>		
	2 Donated services and use of facilities	<b>b2</b>		
	3 Recoveries of prior year grants	<b>b3</b>		
	4 Other (specify) _____	<b>b4</b>		
	Add lines <b>b1</b> through <b>b4</b>		<b>b</b>	
<b>c</b>	Subtract line <b>b</b> from line <b>a</b>		<b>c</b>	
<b>d</b>	Amounts included on Part I, line 12, but not on line <b>a</b> :			
	1 Investment expenses not included on Part I, line 6b	<b>d1</b>		
	2 Other (specify) _____	<b>d2</b>		
	Add lines <b>d1</b> and <b>d2</b>		<b>d</b>	
<b>e</b>	<b>Total revenue</b> (Part I, line 12) Add lines <b>c</b> and <b>d</b>		<b>e</b>	

**Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return**

<b>a</b>	Total expenses and losses per audited financial statements		<b>a</b>	N/A
<b>b</b>	Amounts included on line <b>a</b> but not on Part I, line 17			
	1 Donated services and use of facilities	<b>b1</b>		
	2 Prior year adjustments reported on Part I, line 20	<b>b2</b>		
	3 Losses reported on Part I, line 20	<b>b3</b>		
	4 Other (specify) _____	<b>b4</b>		
	Add lines <b>b1</b> through <b>b4</b>		<b>b</b>	
<b>c</b>	Subtract line <b>b</b> from line <b>a</b>		<b>c</b>	
<b>d</b>	Amounts included on Part I, line 17, but not on line <b>a</b> :			
	1 Investment expenses not included on Part I, line 6b	<b>d1</b>		
	2 Other (specify) _____	<b>d2</b>		
	Add lines <b>d1</b> and <b>d2</b>		<b>d</b>	
<b>e</b>	<b>Total expenses</b> (Part I, line 17) Add lines <b>c</b> and <b>d</b>		<b>e</b>	

**Part V-A Current Officers, Directors, Trustees, and Key Employees** (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated) (See the 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 plans	(E) Expense account and other allowances
See Statement 9		44,568.	0.	0.
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**Part V Current Officers, Directors, Trustees, and Key Employees (continued)**

<b>75 a</b> Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ <u>18</u>		
<b>b</b> Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If 'Yes,' attach a statement that identifies the individuals and explains the relationship(s)	<b>75 b</b>	X
<b>c</b> Do any officers, directors, trustees, or key employees listed in form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of 'related organization' If 'Yes,' attach a statement that includes the information described in the instructions	<b>75 c</b>	X
<b>d</b> Does the organization have a written conflict of interest policy?	<b>75 d</b>	X

**Part VI Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits**

(If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
None				

**Part VII Other Information (See the instructions.)**

<b>76</b> Did the organization make a change in its activities or methods of conducting activities? If 'Yes,' attach a detailed statement of each change	<b>76</b>	X
<b>77</b> Were any changes made in the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes	<b>77</b>	X
<b>78 a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	<b>78 a</b>	X
<b>b</b> If 'Yes,' has it filed a tax return on Form 990-T for this year?	<b>78 b</b>	N/A
<b>79</b> Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement	<b>79</b>	X
<b>80 a</b> Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc. to any other exempt or nonexempt organization?	<b>80 a</b>	X
<b>b</b> If 'Yes,' enter the name of the organization ▶ <u>N/A</u> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
<b>81 a</b> Enter direct and indirect political expenditures (See line 81 instructions) <b>81 a</b> 0.	<b>81 a</b>	0.
<b>b</b> Did the organization file Form 1120-POL for this year?	<b>81 b</b>	X

BAA

Other Information (continued)

82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? 82 b If 'Yes,' you may indicate the value of these items here... 83 a Did the organization comply with the public inspection requirements... 84 a Did the organization solicit any contributions or gifts that were not tax deductible? 85 a 501(c)(4), (5), or (6) Were substantially all dues nondeductible by members? 86 501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12 b Gross receipts, included on line 12, for public use of club facilities 87 501(c)(12) organizations Enter a Gross income from members or shareholders b Gross income from other sources... 88 a At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership... 89 a 501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 0., section 4912 0., section 4955 0. b 501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? 90 a List the states with which a copy of this return is filed None 91 a The books are in care of Margarita Araiza Telephone number 956-727-0977 Located at P.O. Box 446, Laredo, Texas ZIP + 4 78042-0446 b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?

BAA

**Part VI Other Information (continued)**

Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? **91 c**  Yes  No  
 If 'Yes,' enter the name of the foreign country \_\_\_\_\_

**92** Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here  N/A  
 and enter the amount of tax-exempt interest received or accrued during the tax year **92**  N/A

**Part VII Analysis of Income-Producing Activities (See the instructions.)**

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
<b>93</b> Program service revenue					
<b>a</b> Museum Fees and Tours					3,136.
<b>b</b> _____					
<b>c</b> _____					
<b>d</b> _____					
<b>e</b> _____					
<b>f</b> Medicare/Medicaid payments					
<b>g</b> Fees & contracts from government agencies					
<b>94</b> Membership dues and assessments					14,188.
<b>95</b> Interest on savings & temporary cash invmnts					1,573.
<b>96</b> Dividends & interest from securities					
<b>97</b> Net rental income or (loss) from real estate					
<b>a</b> debt-financed property					
<b>b</b> not debt-financed property					
<b>98</b> Net rental income or (loss) from pers prop					
<b>99</b> Other investment income					
<b>100</b> Gain or (loss) from sales of assets other than inventory					
<b>101</b> Net income or (loss) from special events					53,951.
<b>102</b> Gross profit or (loss) from sales of inventory					1,521.
<b>103</b> Other revenue <b>a</b> _____					
<b>b</b> _____					
<b>c</b> _____					
<b>d</b> _____					
<b>e</b> _____					
<b>104</b> Subtotal (add columns (B), (D), and (E))					74,369.
<b>105</b> Total (add line 104, columns (B), (D), and (E))					74,369.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)**

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	See Statement 10

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)**

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)**

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

Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions)

**Part XI** Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

**106** Did the reporting organization **make** any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
<b>Totals</b>				

**107** Did the reporting organization **receive** any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
<b>Totals</b>				

**108** Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No
	X

**Please 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 officer) is based on all information of which preparer has any knowledge.

Signature of officer: *Jorge R. Martinez* Date: 11/23/2009

Type or print name and title: Executive Director

**Paid Preparer's Use Only**

Preparer's signature: *Jorge R. Martinez, CPA* Date: 11/18/2009 Check if self-employed:  Preparer's SSN or PTIN (See General Instruction X): P00526199

Firm's name (or yours if self-employed), address, and ZIP + 4: Garza, Martinez & Co., L.L.P.  
PO Box 2664  
Laredo, TX 78044-2664 EIN: 74-2967006  
 Phone no: (956) 727-4122

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Organization Exempt Under**  
**Section 501(c)(3)**

**(Except Private Foundation) and Section 501(e), 501(f), 501(k),**  
**501(n), or 4947(a)(1) Nonexempt Charitable Trust**

**Supplementary Information — (See separate instructions.)**

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.**

OMB No 1545-0047

**2007**

Name of the organization

Webb County Heritage Foundation

Employer identification number

74-2096498

**Part I**

**Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**

(See instructions. List each one. If there are 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 and other allowances
None				

Total number of other employees paid over \$50,000 ▶

0

**Part II - A**

**Compensation of the Five Highest Paid Independent Contractors for Professional Services**

(See instructions. List each one (whether individuals or firms). If there are none, enter 'None'.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		

Total number of others receiving over \$50,000 for professional services ▶

0

**Part II - B**

**Compensation of the Five Highest Paid Independent Contractors for Other Services**

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter 'None.' See instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		

Total number of other contractors receiving over \$50,000 for other services ▶

0

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

Schedule A (Form 990 or 990-EZ) 2007

**Part III** Statements About Activities (See instructions.)

	Yes	No
<p><b>1</b> During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ <u>N/A</u></p> <p>(Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)</p> <p>Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes' must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities</p>		X
<p><b>2</b> During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.)</p>		
<p><b>a</b> Sale, exchange, or leasing of property?</p>		X
<p><b>b</b> Lending of money or other extension of credit?</p>		X
<p><b>c</b> Furnishing of goods, services, or facilities?</p>		X
<p><b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p>		X
<p><b>e</b> Transfer of any part of its income or assets?</p>		X
<p><b>3a</b> Did the organization make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how the organization determines that recipients qualify to receive payments.)</p>		X
<p><b>b</b> Did the organization have a section 403(b) annuity plan for its employees?</p>		X
<p><b>c</b> Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' attach a detailed statement</p>		X
<p><b>d</b> Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?</p>		X
<p><b>4a</b> Did the organization maintain any donor advised funds? If 'Yes,' complete lines 4b through 4g. If 'No,' complete lines 4f and 4g</p>		X
<p><b>b</b> Did the organization make any taxable distributions under section 4966?</p>		N/A
<p><b>c</b> Did the organization make a distribution to a donor, donor advisor, or related person?</p>		N/A
<p><b>d</b> Enter the total number of donor advised funds owned at the end of the tax year ▶ <u>N/A</u></p>		N/A
<p><b>e</b> Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶ <u>N/A</u></p>		N/A
<p><b>f</b> Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶ <u>0</u></p>		0
<p><b>g</b> Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶ <u>0.</u></p>		0.

**Part IV Reason for Non-Private Foundation Status** (See instructions.)

I certify that the organization is not a private foundation because it is (Please check only **ONE** applicable box )

- 5  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6  A school Section 170(b)(1)(A)(ii) (Also complete Part V )
- 7  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8  A federal, state, or local government or governmental unit Section 170(b)(1)(A)(v).
- 9  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) **Enter the hospital's name, city, and state** ▶ -----
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A.)
- 11 a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A )
- 11 b  A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A )
- 12  An organization that normally receives **(1) more than 33-1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc, functions – subject to certain exceptions, and **(2) no more than 33-1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A.)
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3) Check the box that describes the type of supporting organization ▶  
 Type I     Type II     Type III-Functionally Integrated     Type III-Other

**Provide the following information about the supported organizations.** (See instructions )

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
<b>Total</b>					0.

- 14  An organization organized and operated to test for public safety Section 509(a)(4) (See instructions )

**BAA**

**Support Schedule** (Complete only if you checked a box on line 10, 11, or 12) *Use cash method of accounting.*

**Note:** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
<b>15</b> Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	167,081.	281,813.	169,249.	101,921.	720,064.
<b>16</b> Membership fees received	9,153.	9,747.	10,337.	11,087.	40,324.
<b>17</b> Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	2,040.	3,890.	8,141.	4,265.	18,336.
<b>18</b> Gross income from interest, dividends, amts rec'd from payments on securities loans (sec. 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less sec. 511 taxes) from businesses acquired by the organization after June 30, 1975	85.	350.	209.	207.	851.
<b>19</b> Net income from unrelated business activities not included in line 18					0.
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0.
<b>21</b> The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					0.
<b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets. See Stmt. 11	45,394.	58,733.	49,768.	36,161.	190,056.
<b>23</b> Total of lines 15 through 22	223,753.	354,533.	237,704.	153,641.	969,631.
<b>24</b> Line 23 minus line 17	221,713.	350,643.	229,563.	149,376.	951,295.
<b>25</b> Enter 1% of line 23	2,238.	3,545.	2,377.	1,536.	

<b>26 Organizations described on lines 10 or 11:</b>	a Enter 2% of amount in column (e), line 24	<b>26a</b>	19,026.
<b>b</b> Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.		<b>26b</b>	
<b>c</b> Total support for section 509(a)(1) test. Enter line 24, column (e)		<b>26c</b>	951,295.
<b>d</b> Add: Amounts from column (e) for lines <b>18</b> <u>851.</u> <b>19</b> _____		<b>26d</b>	190,907.
	<b>22</b> <u>190,056.</u> <b>26b</b> _____	<b>26e</b>	760,388.
<b>e</b> Public support (line 26c minus line 26d total)		<b>26f</b>	79.93 %
<b>f</b> Public support percentage (line 26e (numerator) divided by line 26c (denominator))			

<b>27 Organizations described on line 12:</b> N/A	
<b>a</b> For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' Do not file this list with your return. Enter the sum of such amounts for each year.	
(2006) _____ (2005) _____ (2004) _____ (2003) _____	
<b>b</b> For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year.	
(2006) _____ (2005) _____ (2004) _____ (2003) _____	
<b>c</b> Add: Amounts from column (e) for lines <b>15</b> _____ <b>16</b> _____	
<b>17</b> _____ <b>20</b> _____ <b>21</b> _____	<b>27c</b>
<b>d</b> Add: Line 27a total _____ and line 27b total _____	<b>27d</b>
<b>e</b> Public support (line 27c total minus line 27d total)	<b>27e</b>
<b>f</b> Total support for section 509(a)(2) test. Enter amount from line 23, column (e)	<b>27f</b>
<b>g</b> Public support percentage (line 27e (numerator) divided by line 27f (denominator))	<b>27g</b> %
<b>h</b> Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))	<b>27h</b> %

**28 Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

**Part V Private School Questionnaire** (See instructions.)  
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

N/A  
 Yes No

**29** Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?

29		
----	--	--

**30** Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?

30		
----	--	--

**31** Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?

31		
----	--	--

If 'Yes,' please describe, if 'No,' please explain (If you need more space, attach a separate statement )

-----  
 -----  
 -----

**32** Does the organization maintain the following

32 a		
------	--	--

**a** Records indicating the racial composition of the student body, faculty, and administrative staff?

**b** Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?

32 b		
------	--	--

**c** Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?

32 c		
------	--	--

**d** Copies of all material used by the organization or on its behalf to solicit contributions?

32 d		
------	--	--

If you answered 'No' to any of the above, please explain (If you need more space, attach a separate statement )

-----  
 -----

**33** Does the organization discriminate by race in any way with respect to

33 a		
------	--	--

**a** Students' rights or privileges?

33 a		
------	--	--

**b** Admissions policies?

33 b		
------	--	--

**c** Employment of faculty or administrative staff?

33 c		
------	--	--

**d** Scholarships or other financial assistance?

33 d		
------	--	--

**e** Educational policies?

33 e		
------	--	--

**f** Use of facilities?

33 f		
------	--	--

**g** Athletic programs?

33 g		
------	--	--

**h** Other extracurricular activities?

33 h		
------	--	--

If you answered 'Yes' to any of the above, please explain (If you need more space, attach a separate statement )

-----  
 -----  
 -----

**34 a** Does the organization receive any financial aid or assistance from a governmental agency?

34 a		
------	--	--

**b** Has the organization's right to such aid ever been revoked or suspended?

34 b		
------	--	--

If you answered 'Yes' to either 34a or b, please explain using an attached statement

**35** Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If 'No,' attach an explanation

35		
----	--	--

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See instructions )  
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

Check **a**  if the organization belongs to an affiliated group Check **b**  if you checked 'a' and 'limited control' provisions apply

**Limits on Lobbying Expenditures**

(The term 'expenditures' means amounts paid or incurred )

		(a) Affiliated group totals	(b) To be completed for all electing organizations
<b>36</b> Total lobbying expenditures to influence public opinion (grassroots lobbying)	<b>36</b>		
<b>37</b> Total lobbying expenditures to influence a legislative body (direct lobbying)	<b>37</b>		
<b>38</b> Total lobbying expenditures (add lines 36 and 37)	<b>38</b>		
<b>39</b> Other exempt purpose expenditures	<b>39</b>		
<b>40</b> Total exempt purpose expenditures (add lines 38 and 39)	<b>40</b>		
<b>41</b> Lobbying nontaxable amount Enter the amount from the following table –			
<b>If the amount on line 40 is –</b>	<b>The lobbying nontaxable amount is –</b>		
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	<b>41</b>	
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
<b>42</b> Grassroots nontaxable amount (enter 25% of line 41)	<b>42</b>		
<b>43</b> Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	<b>43</b>		
<b>44</b> Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	<b>44</b>		
<b>Caution:</b> If there is an amount on either line 43 or line 44, you must file Form 4720			

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below  
 See the instructions for lines 45 through 50 )

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
<b>45</b> Lobbying nontaxable amount					
<b>46</b> Lobbying ceiling amount (150% of line 45(e))					
<b>47</b> Total lobbying expenditures					
<b>48</b> Grassroots non-taxable amount					
<b>49</b> Grassroots ceiling amount (150% of line 48(e))					
<b>50</b> Grassroots lobbying expenditures					

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See instructions )

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

- a** Volunteers
- b** Paid staff or management (Include compensation in expenses reported on lines **c** through **h**.)
- c** Media advertisements.
- d** Mailings to members, legislators, or the public.
- e** Publications, or published or broadcast statements
- f** Grants to other organizations for lobbying purposes
- g** Direct contact with legislators, their staffs, government officials, or a legislative body
- h** Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i** Total lobbying expenditures (add lines **c** through **h**.)

Yes	No	Amount

If 'Yes' to any of the above, also attach a statement giving a detailed description of the lobbying activities



## Webb County Heritage Foundation

74-2096498

**Statement 1**  
**Form 990, Part I, Line 9**  
**Net Income (Loss) from Special Events**

<u>Special Events</u>	<u>Gross Receipts</u>	<u>Less Contributions</u>	<u>Gross Revenue</u>	<u>Less Direct Expenses</u>	<u>Net Income (Loss)</u>
Fundraising Activities	53,951.	0.	53,951.	0.	53,951.
Total	<u>\$ 53,951.</u>	<u>\$ 0.</u>	<u>\$ 53,951.</u>	<u>\$ 0.</u>	<u>\$ 53,951.</u>

**Statement 2**  
**Form 990, Part I, Line 10**  
**Gross Profit (Loss) From Sales Of Inventory**

Sales-RRGM	\$ 3,524.
Gross Sales	<u>\$ 3,524.</u>
Less Returns & Allowances	<u>0.</u>
Net Sales	<u>\$ 3,524.</u>
Less Cost Of Goods Sold	<u>2,003.</u>
Gross Profit From Sales Of Inventory	<u>\$ 1,521.</u>

**Statement 3**  
**Form 990, Part I, Line 20**  
**Other Changes in Net Assets or Fund Balances**

Prior Period Adjustment (see statement 12)	\$ 13,035.
Total	<u>\$ 13,035.</u>

**Statement 4**  
**Form 990, Part II, Line 43**  
**Other Expenses**

	(A) <u>Total</u>	(B) <u>Program Services</u>	(C) <u>Management &amp; General</u>	(D) <u>Fundraising</u>
Advertising	1,599.	1,199.	400.	
Bank charges	3,306.	2,480.	826.	
Dues and subscriptions	106.	80.	26.	
Fundraising expenses	19,083.			19,083.
Insurance	4,378.	3,284.	1,094.	
Legal & Professional Fees	3,500.	2,625.	875.	
Maintenance and repairs	3,539.	2,654.	885.	
Membership dues	165.	124.	41.	
Meter Usage	501.	376.	125.	
News letter	805.	604.	201.	
Other	13,026.	9,770.	3,256.	
Property Taxes	552.	414.	138.	
Utilities	24,842.	18,632.	6,210.	
Total	<u>\$ 75,402.</u>	<u>\$ 42,242.</u>	<u>\$ 14,077.</u>	<u>\$ 19,083.</u>

Webb County Heritage Foundation

74-2096498

**Statement 5**  
**Form 990, Part III, Line a**  
**Statement of Program Service Accomplishments**

<u>Description</u>	<u>Grants and Allocations</u>	<u>Program Service Expenses</u>
The WCHF advocates, encourages and promotes the historic preservation of real and personal property of historic, traditional or cultural value in Webb County. The Foundation is involved in activities designed to heighten awareness of Webb County heritage by providing technical assistance to local property owners and governmental entities. It also provides information on tax incentives and financial resources available to property owners who wish to restore historically significant structures.		198,126.
Includes Foreign Grants: No		
	<u>\$ 0.</u>	<u>\$ 198,126.</u>

**Statement 6**  
**Form 990, Part IV, Line 57**  
**Land, Buildings, and Equipment**

<u>Category</u>	<u>Basis</u>	<u>Accum. Deprec.</u>	<u>Book Value</u>
Machinery and Equipment	\$ 43,168.	\$ 33,384.	\$ 9,784.
Buildings	130,000.	1,103.	128,897.
Total	<u>\$ 173,168.</u>	<u>\$ 34,487.</u>	<u>\$ 138,681.</u>

**Statement 7**  
**Form 990, Part IV, Line 64b**  
**Mortgages and Other Notes Payable**

Other Notes Payable

Lender's Name:	BBVA Compass Bank	
Relationship of Lender:	none	
Date of Note:	6/27/2005	
Purpose of Loan:	Operating Line of Credit	
Original Amount:	41,584.	
Balance Due:		\$ 72,208.
Lender's Name:	BBVA Compass Bank	
Relationship of Lender:	none	
Security Provided:	Real Estate	
Purpose of Loan:	Real Estate Property Purchase	
Original Amount:	130,000.	
Balance Due:		\$ 121,898.
	Total	<u>\$ 194,106.</u>

## Webb County Heritage Foundation

74-2096498

**Statement 8**  
**Form 990, Part IV, Line 65**  
**Other Liabilities**

Accrued Payroll Taxes	\$	3,365.
Dell Commercial Credit		5,115.
Sales Tax Payable		161.
<b>Total</b>	<b>\$</b>	<b><u>8,641.</u></b>

**Statement 9**  
**Form 990, Part V-A**  
**List of Officers, Directors, Trustees, and Key Employees**

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
Dennis Kriewald 1014 Faldo Drive Laredo, TX 78045	Secretary 0	\$ 0.	\$ 0.	\$ 0.
Maria Eugenia Calderon 203 Merlin Rd. Laredo, TX 78041	Board Member 0	0.	0.	0.
Rebecca Sepulveda 2121 Musser Laredo, TX 78043	Board Member 0	0.	0.	0.
Rosanne Palacios 2500 Zacatecas Street Laredo, TX 78043	1st VP 0	0.	0.	0.
Dr. Susan S. Walker HCR1 Box 5 Aguilares, TX 78369	Board Member 0	0.	0.	0.
Javier Santos 1420 Corpus Christi St. Laredo, TX 78040	Board Member 0	0.	0.	0.
Judith G. Gutierrez 1919 Reynolds Laredo, TX 78043	Treasurer 0	0.	0.	0.
AnnaIsabel Alvarez 3102 Fair Oaks Dr. Laredo, TX 78045	Board Member 0	0.	0.	0.
Ricardo De Anda 212 Flores Laredo, TX 78040	Board Member 0	0.	0.	0.

## Webb County Heritage Foundation

74-2096498

Statement 9 (continued)  
Form 990, Part V-A  
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
Henry P. Flores 7550 Country Club Dr. #2206 Laredo, TX 78045	Board Member 0	\$ 0.	\$ 0.	\$ 0.
Larry Dovalina 2401 Williams Ct. Laredo, TX 78045	Board Member 0	0.	0.	0.
Martha Fenstermaker P.O.Box 1724 Laredo, TX 78044	3rd VP 0	0.	0.	0.
Elizabeth J. Gill 2101 Gustavos Laredo, TX 78043	Board Member 0	0.	0.	0.
James E. Moore 210 W. Redwood Circle Laredo, TX 78041	President 0	0.	0.	0.
Minita Freeman 2005 Gustavos St. Laredo, TX 78043	Board Member 0	0.	0.	0.
Francisco Barrientos 901 Victoria Ste. H Laredo, TX 78040	Board Member 0	0.	0.	0.
Margarita Araiza P.O. Box 446 Laredo, TX 78040	Executive Direc 0	44,568.	0.	0.
Steve Harmon 527 Idylwood Ln. Laredo, TX 78045	2nd VP 0	0.	0.	0.
Total		\$ 44,568.	\$ 0.	\$ 0.

Statement 10  
Form 990, Part VIII  
Relationship of Activities to the Accomplishment of Exempt Purposes

Line #	Explanation of Activities
93a	Fees generated by Webb County Heritage Foundation from tours and exhibitions conducted of historic downtown Laredo.
94	Fees generated from members who receive historical information of activities sponsored by the foundation.

## Webb County Heritage Foundation

74-2096498

Statement 10 (continued)  
Form 990, Part VIII  
Relationship of Activities to the Accomplishment of Exempt Purposes

Line #	Explanation of Activities
95	Interest earned on monies maintained in bank which are used for exempt purposes.
101	Income earned from various fundraisers conducted to raise awareness of the historical value of our region which are held throughout the year.
102	Sales of souvenirs (T-shirts, historical memorabilia, etc.)

Statement 11  
Schedule A, Part IV-A, Line 22  
Other Income

Description	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
Fundraising	\$ 41,904.	\$ 56,313.	\$ 45,833.	\$ 33,715.	\$ 177,765.
Sales of Inventory	3,490.	2,420.	3,935.	2,446.	12,291.
Total	<u>\$ 45,394.</u>	<u>\$ 58,733.</u>	<u>\$ 49,768.</u>	<u>\$ 36,161.</u>	<u>\$ 190,056.</u>

STATEMENT 12 - PRIOR PERIOD ADJUSTMENT  
FORM 990, Line 20 Page 1 - Other Changes in Net Assets

The Organization purchased a piece of property on March 23, 2005 which was not recorded in the accounting records at date of acquisition. A prior period adjustment is required in order to record the transaction and corresponding debt as follows:

Purchase price	\$130,000
Mortgage assumed on property	(115,310)
Prior year accumulated depreciation	( 1,655)

Prior Period Adjustment	\$ 13,035
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