Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No. 1545-0052

2009

For calendar year 2009, or tax year beginning , 2009, and ending , 20

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

Use the IRS label. Otherwise, print or type. See Specific Instructions.

Name of foundation: THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION

Number and street (or P.O. box number if mail is not delivered to street address): 1300 POST OAK BOULEVARD — Room/suite: 2000

City or town, state, and ZIP code: HOUSTON, TEXAS 77056

A Employer identification number: 74-2177193

B Telephone number (see page 10 of the instructions): 713.986-7000

C If exemption application is pending, check here ▶ ☐

D 1. Foreign organizations, check here ▶ ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

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

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ $ 14,146,604.49

J Accounting method: ☑ Cash ☐ Accrual
☐ Other (specify) ______
(Part I, column (d) must be on cash basis.)

Part I **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions).)*

			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc., received (attach schedule)	-0-			
	2	Check ▶ ☐ if the foundation is **not** required to attach Sch. B				
	3	Interest on savings and temporary cash investments	-0-	-0-	-0-	
	4	Dividends and interest from securities	335,468.43	335,468.43	-0-	
	5a	Gross rents	-0-	-0-	-0-	
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	-0-			
	b	Gross sales price for all assets on line 6a				
	7	Capital gain net income (from Part IV, line 2)		(956,547.96)		
	8	Net short-term capital gain			-0-	
	9	Income modifications			-0-	
	10a	Gross sales less returns and allowances				
	b	Less: Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)	-0-		-0-	
	11	Other income (attach schedule)	3,460.26	3,460.26	-0-	
	12	**Total.** Add lines 1 through 11	338,928.69	(617,619.27)	-0-	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc.	94,000.00	23,500.00	-0-	70,500.00
	14	Other employee salaries and wages	-0-	-0-	-0-	-0-
	15	Pension plans, employee benefits	-0-	-0-	-0-	-0-
	16a	Legal fees (attach schedule)	28,570.25	7,142.56	-0-	21,427.69
	b	Accounting fees (attach schedule)	27,675.00	6,918.75	-0-	20,756.25
	c	Other professional fees (attach schedule)	77,316.05	77,316.05	-0-	-0-
	17	Interest	-0-	-0-	-0-	-0-
	18	Taxes (attach schedule) (see page 14 of the instructions)	771.63	771.63	-0-	-0-
	19	Depreciation (attach schedule) and depletion	-0-	-0-	-0-	
	20	Occupancy	-0-	-0-	-0-	-0-
	21	Travel, conferences, and meetings	-0-	-0-	-0-	-0-
	22	Printing and publications	-0-	-0-	-0-	-0-
	23	Other expenses (attach schedule)	4,578.26	4,578.26	-0-	-0-
	24	**Total operating and administrative expenses.** Add lines 13 through 23	232,911.19	120,227.25	-0-	112,683.94
	25	Contributions, gifts, grants paid	656,000.00			656,000.00
	26	**Total expenses and disbursements.** Add lines 24 and 25	888,911.19	120,227.25	-0-	768,683.94
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	(549,982.50)			
	b	**Net investment income** (if negative, enter -0-)		-0-		
	c	**Adjusted net income** (if negative, enter -0-)			-0-	

RECEIVED
MAY 17 2010
OGDEN, UT
IRS-OSC

SCANNED MAY 19 2010

USPS CERTIFIED NUMBER 7009 1410 0002 0949 9308

P 13

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	8,197.41	15,233.77	15,233.77
2	Savings and temporary cash investments	1,635,815.71	288,764.67	288,764.67
3	Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶	-0-	-0-	-0-
4	Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶	-0-	-0-	-0-
5	Grants receivable	-0-	-0-	-0-
6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions)	-0-	-0-	-0-
7	Other notes and loans receivable (attach schedule) ▶			
	Less: allowance for doubtful accounts ▶	-0-	-0-	-0-
8	Inventories for sale or use	-0-	-0-	-0-
9	Prepaid expenses and deferred charges	-0-	-0-	-0-
10a	Investments—U.S. and state government obligations (attach schedule)	-0-	-0-	-0-
b	Investments—corporate stock (attach schedule)	8,592,609.63	7,083,319.35	8,121,399.12
c	Investments—corporate bonds (attach schedule)	3,710,280.64	4,752,386.86	5,263,514.87
11	Investments—land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation (attach schedule) ▶	-0-	-0-	-0-
12	Investments—mortgage loans	-0-	-0-	-0-
13	Investments—other (attach schedule)	-0-	-0-	-0-
14	Land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation (attach schedule) ▶	-0-		
15	Other assets (describe ▶ SCHEDULE ATTACHED)	342,270.00	573,002.00	457,692.06
16	**Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I)	14,289,173.39	12,712,706.65	14,146,604.49
Liabilities				
17	Accounts payable and accrued expenses	-0-	-0-	
18	Grants payable	-0-	-0-	
19	Deferred revenue	-0-	-0-	
20	Loans from officers, directors, trustees, and other disqualified persons	-0-	-0-	
21	Mortgages and other notes payable (attach schedule)	-0-	-0-	
22	Other liabilities (describe ▶)	-0-	-0-	
23	**Total liabilities** (add lines 17 through 22)	-0-	-0-	
Net Assets or Fund Balances				
	Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.			
24	Unrestricted			
25	Temporarily restricted			
26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☑ and complete lines 27 through 31.			
27	Capital stock, trust principal, or current funds	14,289,173.39	12,712,706.65	
28	Paid-in or capital surplus, or land, bldg., and equipment fund	-0-	-0-	
29	Retained earnings, accumulated income, endowment, or other funds	-0-	-0-	
30	**Total net assets or fund balances** (see page 17 of the instructions)	14,289,173.39	12,712,706.65	
31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	14,289,173.39	12,712,706.65	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	14,289,173.39
2	Enter amount from Part I, line 27a	2	(549,982.50)
3	Other increases not included in line 2 (itemize) ▶ SCHEDULE ATTACHED	3	3,500.00
4	Add lines 1, 2, and 3	4	13,742,690.89
5	Decreases not included in line 2 (itemize) ▶ SCHEDULE ATTACHED	5	(1,029,984.24)
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	12,712,706.65

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr.)
1a	PUBLICLY TRADED SECURITIES			
b	OTHER CAPITAL GAINS AND LOSSES - SCHEDULE ATTACHED			
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	874,264.19		927,002.56	(52,738.37)
b	2,535,678.88		3,512,924.75	(977,245.87)
c				
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col. (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				
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	(1,029,984.24)
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 pages 13 and 17 of the 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 does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see page 18 of 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))
2008	792,490.00	15,806,304.51	.0501376
2007	763,150.00	17,686,456.62	.0431480
2006	691,024.37	16,343,225.31	.0422820
2005	668,762.11	15,323,933.03	.0436416
2004	435,685.68	13,814,070.59	.0315393

2	**Total** of line 1, column (d)	2	.2107485
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	.0421497
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	12,507,321.06
5	Multiply line 4 by line 3	5	527,179.83
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	-0-
7	Add lines 5 and 6	7	527,179.83
8	Enter qualifying distributions from Part XII, line 4	8	768,683.94

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 on page 18.

Part VI — Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ 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 ▶ ☐ and enter 1% of Part I, line 27b	1		
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		
3	Add lines 1 and 2	3		
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4		
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-	5		
6	Credits/Payments:			
a	2009 estimated tax payments and 2008 overpayment credited to 2009 — 6a			
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		
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8		
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9		
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10		
11	Enter the amount of line 10 to be: **Credited to 2010 estimated tax** ▶ ______ **Refunded** ▶	11		

Part VII-A — Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		✓
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		✓
	*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.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		✓
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ NONE **(2)** On foundation managers. ▶ $ NONE			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ NONE			
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.*	2		✓
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*	3		✓
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		✓
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b	N/	A
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		✓
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?	6	✓	
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*	7	✓	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ TEXAS			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	✓	
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 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? *If "Yes," complete Part XIV*	9		✓
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		✓

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 page 20 of the instructions)	11		✓
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	✓	
	Website address ▶ NONE			
14	The books are in care of ▶ JOSEPH W. ROYCE Telephone no. ▶ 713.986.7212			
	Located at ▶ 1300 POST OAK BLVD., SUITE 2000, HOUSTON, TEXAS ZIP+4 ▶ 77056-3028			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041**—Check here ▶ ☐ and enter the amount of tax-exempt interest received or accrued during the year ▶ 15			

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

			Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
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? ☐ Yes ☑ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☑ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☑ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☑ Yes ☐ 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)? ☐ Yes ☑ 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.) ☐ Yes ☑ 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 page 20 of the instructions)?	1b		✓
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
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 2009?	1c		✓
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 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? ☐ Yes ☑ No			
	If "Yes," list the years ▶ 20___ , 20___ , 20___ , 20___			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see page 20 of the instructions.)	2b		✓
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ 20___ , 20___ , 20___ , 20___			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☑ No			
b	If "Yes," did it have excess business holdings in 2009 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969; **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009.)*	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		✓
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 2009?	4b		✓

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

			Yes	No
5a During the year did the foundation pay or incur any amount to:				
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☑ No				
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☑ No				
(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☑ No				
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) ☐ Yes ☑ No				
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☑ No				
b If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)?	5b	N/A		
Organizations relying on a current notice regarding disaster assistance check here ▶ ☐				
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No				
If "Yes," attach the statement required by Regulations section 53.4945–5(d).				
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☑ No				
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	6b			✓
If "Yes" to 6b, file Form 8870.				
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☑ No				
b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	7b	N/A		

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

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of 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	(e) Expense account, other allowances
SCHEDULE ATTACHED				

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the 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	N/A	N/A	N/A	N/A
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 page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		NONE
Total number of others receiving over $50,000 for professional services ▶		

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 NONE	NONE
2	
3	
4	

Part IX-B **Summary of Program-Related Investments** (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	NONE
2	
All other program-related investments. See page 24 of the instructions 3	
Total. Add lines 1 through 3 ▶	-0-

Part X **Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	11,867,764.29
b	Average of monthly cash balances	1b	457,800.70
c	Fair market value of all other assets (see page 24 of the instructions)	1c	372,222.89
d	**Total** (add lines 1a, b, and c)	1d	12,697,787.88
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	12,697,787.88
4	Cash deemed held for charitable activities. Enter 1 ½ % of line 3 (for greater amount, see page 25 of the instructions)	4	190,466.82
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	12,507,321.06
6	**Minimum investment return.** Enter 5% of line 5	6	625,366.06

Part XI **Distributable Amount** (see page 25 of the 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	625,366.06
2a	Tax on investment income for 2009 from Part VI, line 5 . . . 2a -0-		
b	Income tax for 2009. (This does not include the tax from Part VI.) . . . 2b -0-		
c	Add lines 2a and 2b	2c	-0-
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	625,366.06
4	Recoveries of amounts treated as qualifying distributions	4	-0-
5	Add lines 3 and 4	5	625,366.06
6	Deduction from distributable amount (see page 25 of the instructions)	6	-0-
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	625,366.06

Part XII **Qualifying Distributions** (see page 25 of the 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	768,683.94
b	Program-related investments—total from Part IX-B	1b	-0-
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	-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	768,683.94
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 page 26 of the instructions)	5	-0-
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	768,683.94

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 page 26 of the instructions)

		(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7					625,366.06
2 Undistributed income, if any, as of the end of 2009:					
a Enter amount for 2008 only				762,106.75	
b Total for prior years: 20___,20___,20___			-0-		
3 Excess distributions carryover, if any, to 2009:					
a From 2004	-0-				
b From 2005	-0-				
c From 2006	-0-				
d From 2007	-0-				
e From 2008	-0-				
f **Total** of lines 3a through e		-0-			
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ $ 768,683.94					
a Applied to 2008, but not more than line 2a				762,106.75	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)			-0-		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)		-0-			
d Applied to 2009 distributable amount					6,577.19
e Remaining amount distributed out of corpus		-0-			
5 Excess distributions carryover applied to 2009 *(If an amount appears in column (d), the same amount must be shown in column (a).)*		-0-			-0-
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 page 27 of the instructions			-0-		
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions				-0-	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010					618,788.87
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)		-0-			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)		-0-			
9 **Excess distributions carryover to 2010.** Subtract lines 7 and 8 from line 6a		-0-			
10 Analysis of line 9:					
a Excess from 2005	-0-				
b Excess from 2006	-0-				
c Excess from 2007	-0-				
d Excess from 2008	-0-				
e Excess from 2009	-0-				

Part XIV **Private Operating Foundations** (see page 27 of the 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 2009, 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	Prior 3 years			(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
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, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV **Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year—see page 28 of the instructions.)**

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000). (See section 507(d)(2).)

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ▶ ☑ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

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

N/A

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

N/A

c Any submission deadlines:

N/A

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

N/A

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SCHEDULE ATTACHED				**656,000.00**
Total . . . . ▶ **3a**				**656,000.00**
b *Approved for future payment*				
NONE				
Total . . . . ▶ **3b**				**-0-**

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities					335,468.43
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue: a OIL & GAS ROYALTIES					2,233.29
b PARTNERSHIP					1,052.00
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)					338,753.72

13 **Total.** Add line 12, columns (b), (d), and (e) . . . 13 338,753.72

(See worksheet in line 13 instructions on page 28 to verify calculations.)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). (See page 29 of the instructions)
	SCHEDULE ATTACHED

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

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

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

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

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☑ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge

Signature of officer or trustee: [signature] Date: 5-12-10 Title: SECRETARY

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed ▶	Preparer's identifying number (see **Signature** on page 30 of the instructions)
[signature]	5-12-10	☑	455-60-0687

Firm's name (or yours if self-employed), address, and ZIP code			
	JAMES T. McCULLOUGH	EIN ▶	
	P. O. BOX 8457, THE WOODLANDS, TX 77387-8457	Phone no	832.813.7244

W809CONT

THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2009

FORM 990-PF - SCHEDULE OF INFORMATION

PART I, LINE 11 - OTHER INCOME

Gross Oil & Gas Royalties Received:

Operator	Property Description	Amount	
Riceland	Acadia Parish, La. - Oil & Gas Royalty Interests	992.15	
Meridian Resource & Explor.	Iberia Parish, La. - Oil & Gas Royalty Interests	1,241.14	2,233.29

Class-action Settlement from Litigation:

Settlement from Optical Coating Securities Litigation	110.27	
Settlement from Cambrex Corp. Securities Litigation	29.27	
Settlement from Vesta Ins. Group Securities Litigation	35.43	174.97

Partnership Income:

Driehaus Small Cap Recovery, L. P. - TIN 36-4120127	- Interest Income	0.00	
	- Ordinary Dividends	4,551.00	
	- IRC Sec. 1296 Income	3,385.00	
	- Trade or Business Expense	(6,884.00)	1,052.00

TOTAL OTHER INCOME	3,460.26

PART I, LINE 13 - COMPENSATION, ETC.

Part VIII, Line 1c - Compensation Paid - Year 2009	94,000.00

PART I, LINE 16a - LEGAL FEES

Legal fees paid to the firm of Looper, Reed & McGraw, P. C. are for legal services rendered by Joseph W. Royce (also Secretary for the Foundation) a portion of which is for matters relating to the Foundation's chairitable purpose. Joe E. Coleman (also a Trustee for the Foundation) is currently a member of the firm of Looper, Reed & McGraw, P. C.	28,570.25

THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2009

PART I, LINE 16b - ACCOUNTING FEES

Accounting fees paid to James T. McCullough (also a Trustee for the Foundation) are for preparation of Form 990-PF for calendar years ended 12/31/2008-2009 and other accounting matters a portiom of which relates to the Foundation's charitable purpose.	27,675.00

PART I, LINE 16c - OTHER PROFESSIONAL FEES

Administrative fees paid to JPMorgan Chase Bank, N. A. for custodial management of the Foundations assets.	45,672.92
Fees paid to Lowery Asset Consulting, L.L.C. are for performance evaluation and consulting services regarding management of Foundation's assets and investment income.	14,040.00
Fees paid to Golden Capital Manaagement, L.L.C. are for managing the Foundation's investments in large cap equities.	9,640.95
Fees paid to The Mitchell Group, Inc. are for managing the Foundation's investments in energy equities.	7,962.18
TOTAL OTHER PROFESSIONAL FEES	77,316.05

PART I, LINE 18 - TAXES

Foreign Taxes Paid on Dividend Income	522.36
Oil & Gas Production Taxes - royalty interests	249.27
TOTAL TAXES	771.63

PART I, LINE 23 - OTHER EXPENSES

Copies	30.15
Meals (Board Meetings)	335.52
D & O Liability Insurance	3,993.00
Delivery, Fax, Postage and Long Distance Calls	219.59
TOTAL OTHER EXPENSES	4,578.26

W809BS

THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2009

PART II, LINE 10b - COLUMN (a) - INVESTMENTS - CORPORATE STOCKS (1/1/2009)

EQUITIES - GOLDEN CAPITAL MANAGEMENT - LARGE CAP

Entity	Security Type	No. of Shares	Book Value 1/1/2009
EQUITIES - GOLDEN CAPITAL MANAGEMENT - LARGE CAP			
ACE Limited	common stock	575	18,492.00
Agilent Technologies Inc.	common stock	945	28,876.39
Amdocs Ltd.	common stock	1,000	22,050.00
AmGen Inc.	common stock	390	22,685.33
Aon Corp.	common stock	660	21,196.43
AT&T Inc.	common stock	860	32,422.43
Bank of America Corp.	common stock	900	37,557.00
Baxter International Inc.	common stock	415	19,359.79
Beckton, Dickinson & Co.	common stock	375	22,068.26
BMC Software Inc.	common stock	920	27,083.28
Bristol Myers Squibb Co.	common stock	1,055	24,796.93
CA Inc.	common stock	1,330	22,707.62
Chevron Corp.	common stock	345	29,050.97
Chubb Corp.	common stock	660	34,021.48
Colgate Palmolive Co.	common stock	375	24,753.45
ConocoPhillips	common stock	405	22,481.77
Cooper Industries Inc. - Cl A	common stock	670	16,441.96
Covidien Limited	common stock	575	30,968.76
Emerson Electric Co.	common stock	620	30,607.67
Exxon Mobil Corp.	common stock	390	1,414.53
FirstEnergy Corp.	common stock	375	30,636.57
Gap Inc.	common stock	1,550	30,683.80
General Mills Inc.	common stock	480	29,771.14
Hewlett-Packard Co.	common stock	790	21,077.12
Intel Corp.	common stock	1,415	36,125.23
International Business Machines Corp.	common stock	280	24,875.89
Johnson & Johnson	common stock	395	4,447.78
JPMorgan Chase & Co.	common stock	670	28,204.72
Kellogg Co.	common stock	665	28,595.27
Lockheed Martin Corp.	common stock	305	29,203.84
McDonalds Corp.	common stock	455	18,071.01
Microsoft Corp.	common stock	1,145	13,986.49
Nike Inc. Cl B	common stock	540	29,397.29
Noble Corp.	common stock	495	31,814.50
Noble Energy Inc.	common stock	350	33,250.59
Norfolk Southern Corp.	common stock	430	31,041.14

W809BS

THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2009

Entity	Security Type	No. of Shares	Book Value 1/1/2009
Occidental Petroleum Corp.	common stock	400	22,777.80
Oil States International	common stock	600	31,486.62
Owens Illinois Inc.	common stock	555	31,297.73
Pfizer Inc.	common stock	1,360	24,212.22
Praxair Inc.	common stock	350	10,473.75
Precision Castparts Corp.	common stock	295	33,338.78
Proctor & Gamble Co.	common stock	500	11,231.81
Ross Stores Inc.	common stock	885	30,880.31
Sempra Energy	common stock	535	30,714.67
St. Jude Medical Inc.	common stock	745	30,973.23
State Street Corp.	common stock	540	22,839.95
United Technologies Corp.	common stock	445	15,089.02
Verizon Communications Inc.	common stock	790	36,142.52
Watson Pharmaceuticals Inc.	common stock	985	28,402.28
EQUITIES - MITCHELL ENERGY GROUP - ENERGY			
Anadarko Petroleum Corp.	common stock	1,500	46,966.80
Apache Corp.	common stock	900	27,747.00
Cabot Oil & Gas Corp.	common stock	1,800	66,756.43
Cameron International Corporation	common stock	1,100	45,328.18
Canadian Natural Resources	common stock	1,300	12,480.00
Chevron Corp.	common stock	678	24,672.96
Compagnie Generale des Geophysique	common stock	2,000	90,903.05
Devon Energy Corp.	common stock	900	21,402.00
El Paso Corp.	common stock	4,200	69,865.00
Exxon Mobil Corp.	common stock	800	2,901.60
Forest Oil Corp.	common stock	1,500	50,484.00
Hess Corporation	common stock	1,200	18,172.00
National Oilwell Varco Inc.	common stock	1,282	12,848.41
Noble Energy Inc.	common stock	1,000	42,390.10
Occidental Petroleum Corp.	common stock	1,100	18,083.07
Petroleo Brasileiro SA Petrobras	common stock	1,600	85,083.64
Range Resources Corp.	common stock	1,550	25,638.18
Schlumberger Ltd.	common stock	700	20,149.50
Southwestern Energy Company	common stock	1,500	28,913.33
Talisman Energy Inc.	common stock	4,100	38,776.59
Transocean Inc.	common stock	629	33,995.90
The Williams Companies, Inc.	common stock	2,600	25,012.00
XTO Energy Inc.	common stock	1,425	43,540.59

THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2009

Entity	Security Type	No. of Shares	Book Value 1/1/2009
EQUITIES - MUTUAL FUNDS			
CGM Focus Fund	mutual fund	16,969.265	982,959.00
Dodge & Cox International Stock Fund	mutual fund	62,637.273	1,528,844.18
Leuthold Core Institutional Class	mutual fund	203,151.874	3,653,617.00
TOTAL			8,592,609.63

PART II, LINE 10b - COLUMNS (b) & (c) - INVESTMENTS - CORPORATE STOCKS (12/31/2009)

Entity	Security Type	No. of Shares	Book Value 12/31/2009	Fair Market Value 12/31/2009
EQUITIES - GOLDEN CAPITAL MANAGEMENT - LARGE CAP				
3M Co.	common stock	355	27,881.38	29,347.85
Accenture PLC	common stock	665	21,387.53	27,597.50
ACE Limited	common stock	575	18,492.00	28,980.00
Agilent Technologies Inc.	common stock	945	28,876.39	29,361.15
AmGen Inc.	common stock	390	22,685.33	22,062.30
Archer Daniels Midland Co.	common stock	805	22,059.17	25,204.55
Baxter International Inc.	common stock	415	19,359.79	24,352.20
BMC Software Inc.	common stock	800	23,517.76	32,080.00
Bristol Myers Squibb Co.	common stock	1,055	24,796.93	26,638.75
Bucyrus International Inc.	common stock	515	28,180.59	29,030.55
CA Inc.	common stock	1,330	22,707.62	29,871.80
CenturyTel Inc.	common stock	849	21,972.49	30,742.29
Chevron Corp.	common stock	345	29,050.97	26,561.55
Cisco Systems Inc.	common stock	1,225	24,058.51	29,326.50
ConocoPhillips	common stock	450	24,642.55	22,981.50
Covidien PLC	common stock	575	30,968.76	27,536.75
Discover Financial Services	common stock	1,670	26,827.21	24,565.70
Exxon Mobil Corp.	common stock	315	1,142.51	21,479.85
FlowServe Corp.	common stock	290	25,013.34	27,413.70
Gap Inc.	common stock	1,550	30,683.80	32,472.50
General Mills Inc.	common stock	480	29,771.14	33,988.80
Goldman Sachs Group Inc.	common stock	160	26,869.44	27,014.40
Hewitt Associates Inc.	common stock	680	28,416.56	28,736.80
Hewlett-Packard Co.	common stock	570	15,207.55	29,360.70
Home Depot Inc.	common stock	915	21,149.31	26,470.95

THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2009

Entity	Security Type	No. of Shares	Book Value 12/31/2009	Fair Market Value 12/31/2009
Intel Corp.	common stock	1,415	36,125.23	28,866.00
International Business Machines Corp.	common stock	255	22,400.75	33,379.50
JPMorgan Chase & Co.	common stock	670	28,204.72	27,918.90
Johnson & Johnson	common stock	395	4,447.78	25,441.95
Kellogg Co.	common stock	555	23,865.23	29,526.00
Kraft Foods Inc. A	common stock	880	25,090.65	23,918.40
McDonalds Corp.	common stock	455	18,071.01	28,410.20
McKesson Corp.	common stock	445	27,619.91	27,812.50
Microsoft Corp.	common stock	1,145	13,986.49	34,899.60
Nike Inc. B	common stock	475	25,840.52	31,383.25
Noble Corp.	common stock	580	34,949.74	23,606.00
Occidental Petroleum Corp.	common stock	370	21,069.46	30,099.50
Pfizer Inc.	common stock	1,360	24,212.22	24,738.40
Praxair Inc.	common stock	350	10,473.75	28,108.50
Proctor & Gamble Co.	common stock	400	8,985.45	24,252.00
Ross Stores Inc.	common stock	610	21,284.73	26,053.10
Sealed Air Corp.	common stock	1,080	22,816.40	23,608.80
State Street Corp.	common stock	540	22,839.95	23,511.60
TD Ameritrade Holding Corporation	common stock	1,385	25,207.83	26,841.30
Texas Instruments Inc.	common stock	1,115	24,096.93	29,056.90
Tyco International Ltd.	common stock	785	26,570.44	28,008.80
United Technologies Corp.	common stock	445	15,089.02	30,887.45
Unum Group	common stock	1,200	27,264.40	23,814.40
Viacom Inc.	common stock	920	27,606.16	27,351.60
Watson Pharmaceuticals Inc.	common stock	785	22,635.32	31,093.85
EQUITIES - MITCHELL ENERGY GROUP - ENERGY				
Anadarko Petroleum Corp.	common stock	1,300	40,704.56	81,146.00
Apache Corp.	common stock	900	27,747.00	92,853.00
Cabot Oil & Gas Corp.	common stock	1,600	59,273.92	69,744.00
Cameron International Corporation	common stock	1,000	41,172.83	41,800.00
Camadian Natural Resources Ltd.	common stock	1,200	11,520.00	86,340.00
CenterPoint Energy Inc.	common stock	5,000	63,432.17	72,550.00
Chevron Corp.	common stock	678	24,672.96	52,199.22
Compagnie Generale des Geophysique	common stock	1,900	85,633.89	40,375.00
Devon Energy Corp.	common stock	900	21,402.00	66,150.00
Exxon Mobil Corp.	common stock	600	2,176.20	40,914.00
Hess Corporation	common stock	1,100	16,657.67	66,550.00
National Fuel Gas Co.	common stock	1,200	41,755.20	60,000.00
National Oilwell Varco Inc.	common stock	982	9,841.76	43,296.38
Noble Energy Inc.	common stock	1,000	42,390.10	71,220.00

W809BS

THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2009

Entity	Security Type	No. of Shares	Book Value 12/31/2009	Fair Market Value 12/31/2009
Occidental Petroleum Corp.	common stock	1,100	18,083.07	89,485.00
Petroleo Brasileiro SA Petrobras	common stock	1,400	73,837.24	59,346.00
Questar Corp.	common stock	1,100	45,794.87	45,727.00
Spectra Energy Corporation	common stock	2,400	34,685.28	49,224.00
Talisman Energy Inc.	common stock	3,600	32,495.16	67,104.00
TransCanada Corp.	common stock	1,800	57,241.26	61,866.00
Transocean Inc.	common stock	829	50,865.16	68,641.20
Weatherford International Ltd.	common stock	3,200	53,674.22	57,312.00
Williams Companies, Inc.	common stock	2,600	25,012.00	54,808.00
XTO Energy Inc.	common stock	1,325	40,485.11	61,652.25
EQUITIES - MUTUAL FUNDS				
Forward Funds (Non US Equity)	mutual fund	17,421.792	450,000.00	447,914.00
Leuthhold Core Institutional Class	mutual fund	203,151.874	3,664,118.00	3,332,267.00
Manning & Napier (Non US Equity)	mutual fund	63,626.932	892,175.00	1,455,147.93
TOTALS			7,083,319.35	8,121,399.12

PART II, LINE 10c - COLUMN (a) - INVESTMENTS - CORPORATE BONDS (1/1/2009)

Entity		No. of Units	Book Value 1/1/2009
Global Opportuniities Bond Fund	fixed income fund	129,611.167	1,300,000.00
JPMorgan Short-term Bond Fund II	fixed income fund	92,799.004	928,552.48
Metropolitan West Funds	fixed income fund	122,943.101	1,176,646.94
TOTAL			3,710,280.64

THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2009

PART II, LINE 10c - COLUMNS (b) & (c) - INVESTMENTS - CORPORATE BONDS (12/31/2009)

Entity		No. of Units	Book Value 12/31/2009	Fair Market Value 12/31/2009
Fidelity Advisor Floaring Rate High	fixed income fund	196,024.678	1,559,705.64	1,844,592.22
Global Opportuniities Bond Fund	fixed income fund	129,611.167	1,300,000.00	1,311,665.01
Lord Abbet Invt Tr	fixed income fund	25,339.610	115,041.83	115,041.83
Metropolitan West Funds	fixed income fund	130,979.670	1,251,757.31	1,294,896.93
Vanguard Convertible Sec. Fund	fixed income fund	55,519.014	525,882.02	697,318.82
TOTALS			4,752,386.80	5,263,514.81

PART II, LINE 15 - COLUMNS (a), (b) & (c) - OTHER ASSETS

Oil & Gas Royalty Interessts

Description	Book Value 1/1/2009	Book Value 12/31/2009	Fair Market Value 12/31/2009
Oil & Gas Royalty Interests in Acadia Parish, Louisiana Operator - Riceland	1,747.00	1,747.00	2,666.43
Oil & Gas Royalty Interest in Iberia Parish, Louisiana Operators - Shell & Stone	5,905.00	5,905.00	3,285.63
Partnership Interests			
Driehaus Small Cap Recovery, L. P. - TIN 36-4120127 3.706% Interest	334,618.00	565,350.00	451,740.00
TOTALS	342,270.00	573,002.00	457,692.06

PART III, LINE 3 - OTHER INCREASES

Estimated Excise Tax Payment for 2008 Returned to Taxpayer	3,500.00

PART III, LINE 5 - OTHER DECREASES

Capital Gains Net Income	(1,029,984.24)

W809CGOTHER

THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2009

PART IV - CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

(a) Description	(b) How Acq.	(c) Date Acquired	(d) Date Sold	(e) Sales Price	(g) Cost Basis	(h) Gain or (Loss)
MUTUAL FUNDS, BOND FUNDS & EQUITY PARTNERSHIP						
CGM Focus Fund						
1,269.956 shares	P	6/10/2008	1/2/2009	35,000.00	79,723.52	(44,723.52)
1,688.957 shares	P	6/10/2008	12/4/2009	50,010.00	105,033.15	(55,023.15)
1,710.913 shares	P	6/10/2008	12/7/2009	50,010.00	106,398.55	(56,388.55)
1,728.656 shares	P	6/10/2008	12/8/2009	50,010.00	107,501.96	(57,491.96)
1,707.650 shares	P	6/10/2008	12/9/2009	50,000.00	106,195.63	(56,195.63)
1,723.295 shares	P	6/10/2008	12/17/2009	50,010.00	107,168.57	(57,158.57)
1,710.571 shares	P	6/10/2008	12/18/2009	50,000.00	106,377.28	(56,377.28)
1,699.287 shares	P	6/10/2008	12/21/2009	50,010.00	105,675.55	(55,665.55)
1,689.189 shares	P	6/10/2008	12/22/2009	50,000.00	104,540.82	(54,540.82)
1,669.449 shares	P	6/10/2008	12/23/2009	50,000.00	103,819.98	(53,819.98)
371.342 shares	P	6/10/2008	12/24/2009	11,199.58	23,093.08	(11,893.50)
Dodge & Cox International Stock Fund						
14,035.088 shares	P	12/28/2007	1/6/2009	320,000.00	407,399.79	(87,399.79)
44,206.290 shares	P	3/25/2004	2/18/2009	800,133.94	1,029,306.53	(229,172.59)
4,395.880 shares	P	12/24/2008	2/18/2009	79,565.61	92,137.86	(12,572.25)
Driehaus Small Cap Recovery, L. P. - TIN 36-4120127 - Fm. 1065, Schedule K-1						
Net Short-Term Capital Gain/(Loss)			Yr. 2009	(3,201.00)		(3,201.00)
Net Long-term Caital Gain/(Loss)			Yr. 2009	6,937.00		6,937.00
Fidelity Advisor Floating Rate High Yield						
S-T Capital Gains Distribution			12/7/2009	9,698.73		9,698.73
Global Opportunities Bond Fund						
S-T Capital Gains Distribution			12/14/2009	5,781.95		5,781.95
L-T Capital Gains Distribution			12/14/2009	986.34		986.34
JPMorgan Short Term Bond II Fund						
8,482.143 shares	P	12/20/2002	2/12/2009	76,000.00	87,959.82	(11,959.82)
341.297 shares	P	12/20/2002	2/26/2009	3,000.00	3,539.25	(539.25)
1,963.832 shares	P	12/20/2002	3/25/2009	17,144.25	20,364.94	(3,220.69)
9,236.032 shares	P	10/10/2005	5/14/2009	81,000.00	92,878.54	(11,878.54)
233.374 shares	P	10/10/2005	6/1/2009	2,039.69	2,331.41	(291.72)
2,288.330 shares	P	10/10/2005	6/17/2009	20,000.00	22,860.42	(2,860.42)
14,156.285 shares	P	11/2/2005	9/9/2009	125,000.00	141,006.85	(16,006.85)
56,097.711 shares	P	11/2/2005	9/16/2009	495,342.79	557,611.25	(62,268.46)
TOTALS				2,535,678.88	3,512,924.75	(977,245.87)

W809TRUS

THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2009

PART VIII, LINE 1 - INFORMATION ABOUT OFFICERS, TRUSTEES AND FOUNDATION MANAGERS

(a) Names & Address	(b) Title & Hrs/Week Devoted	(c) Compensation	(d) Employment Benefits & Def. Comp.	(e) Expense Account
JOE E. COLEMAN 1300 Post Oak Blvd., Suite 2000 Houston, Texas 77056	Trustee, Manager, President & Treasurer Hours vary as needed	16,500.00	-0-	-0-
JACK H. HOOPER 6134 Meadow Lake Lane Houston, Texas 77057	Trustee Hours vary as needed	15,500.00	-0-	-0-
JAMES T. McCULLOUGH Post Office Box 8457 The Woodlands, Texas 77387-8457	Trustee & Vice President Hours vary as needed	15,500.00	-0-	-0-
DEE S. OSBORNE 4400 Post Oak Pkwy., Suite 2240 Houston, Texas 77027	Trustee Hours vary as needed	15,500.00	-0-	-0-
JOSEPH W. ROYCE 1300 Post Oak Blvd., Suite 2000 Houston, Texas 77056	Secretary Hours vary as needed	0.00	-0-	-0-
ANNE M. SHALLENBERGER 7807 Ella Lee Lane Houston, Texas 77063	Trustee Hours vary as needed	15,500.00	-0-	-0-
H. MICHAEL TYSON 3701 Kirby Drive, Suite 1196 Houston, Texas 77098	Trustee Hours vary as needed	15,500.00	-0-	-0-
TOTALS		94,000.00	-0-	-0-

W809GRANTS

THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2009

PART XV - LINE 3a - GRANTS AND CONTRIBUTIONS PAID DURING 2009

Recipient & Address	Date	Status	Purpose	Amount
The New Key School Inc. 3947 East Loop 820 South Fort Worth, Texas 76119	2/12/2009	Public	Unrestricted grant	10,000.00
Miracle Farm, Inc. 10802 FM 2621 Brenham, Texas 77833	2/12/2009	Public	Restricted grant for the 2009 Education Program	5,000.00
The Woodlands Dog Park Club Attn: Laura McConnell, President 10 Ashlar Point The Woodlands, Texas 77381	2/12/2009	Public	Restricted grant for spay/neuter and vaccination clinics jointly sponsored with the Montgomery County Animal Shelter at the four precincts of Montgomery County	15,000.00
The Leukemia & Lymphoma Society 1200 Summitt Avenue, Suite 440 Fort Worth, Texas 76102	2/12/2009	Public	Unrestricted grant	10,000.00
The Houston Ballet Foundation 1921 West Bell Avenue Houston, Texas 77019	2/12/2009	Public	Restricted grant for capital campaign	12,500.00
The Museum of Fine Arts, Houston P. O. Box 4606 Houston, Texas 77210	2/12/2009	Public	Restricted grant for Kilroy Visitor and Education Center at the Bayou Bend Collection and Gardens	25,000.00
Foundation for The Council on Alcohol & Drugs Houston 303 Jackson Hill Street Houston, Texas 77007	2/12/2009	Public	Restricted grant for construction and renovations	50,000.00
Young Life Attn: Denny Rydberg, President P. O. Box 520 Colorado Springs, CO 80901-0520	2/12/2009	Public	Restricted grant for Lewisville/ Flower Mound, Texas Chapter	20,000.00
Houston Maritime Museum Attn: John Kendall, Executive Director 2204 Dorrington Houston, Texas 77030	2/12/2009	Public	Unrestricted grant	5,000.00

W809GRANTS

THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2009

PART XV - LINE 3a - GRANTS AND CONTRIBUTIONS PAID DURING 2009

Recipient & Address	Date	Status	Purpose	Amount
Texas Heart Institute 6770 Bertner Avenue Houston, Texas 77030	5/14/2009	Public	Restricted grant for stem cell research	20,000.00
Open Door Mission 5803 Harrisburg Boulevad Houston, Texas 77011	5/14/2009	Public	Unrestricted grant	5,000.00
John P. McGovern Museum of Health & Medical Science Attn: John Iszard, President & CEO 1515 Hermann Drive Houston, Texas 77004-7126	5/14/2009	Public	Restricted grant for the Museum's School Field Experience Program	5,000.00
Liberty Educational Ministries Incorporated Attn: Dedra Brynn, Director of Development 1301 S. Highway 377 Argyle, Texas 76226	5/14/2009	Public	Restricted grant for the Liberty Christian School	5,000.00
Memorial Hermann Foundation Attn: Melissa Garlington, Senior Director 6411 Fannin, Ste. Cullen 107 Houston, Texas 77030	5/14/2009	Public	Restricted grant for Children's Memorial Hermann Hospital	7,500.00
Full Gospel Fellowship of Churches and Ministers International Inc. 1000 North Belt Line Road, Suite 201 Irving, Texas 75061	5/14/2009	Public	Restricted grant for funds to be used at ministry known as "Prisoners of Love, Inc." at P. O. Box 154137 in Lufkin, Texas 75915	12,000.00
The American Heritage Education Foundation, Inc. 3501 W. Alabama Houston, Texas 77027	5/14/2009	Public	Unrestricted grant	1,000.00
Goodwill Industries of Houston 10795 Hammerly Boulevard Houston, Texas 77043	5/14/2009	Public	Unrestricted grant	1,000.00

THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2009

PART XV - LINE 3a - GRANTS AND CONTRIBUTIONS PAID DURING 2009

Recipient & Address	Date	Status	Purpose	Amount
Houston Parks Board Endowment Trust 2001 Kirby Drive Houston, Texas 77019	5/14/2009	Public	Unrestricted grant	1,000.00
Depresssion and Bipolar Support Alliance of Greater Houston 10000 Memorial Drive, Suite 170 Houston, Texas 77024	5/14/2009	Public	Unrestricted grant	5,000.00
Houston Victory Ministries, Inc. 11255 Eastex Freeway Houston, Texas 77093-2860	9/10/2009	Public	Unrestricted grant	2,500.00
Christ the King Baptist Church 4777 Lake Shore Drive Waco, Texas 76710-1800	9/10/2009	Public	Unrestricted grant	2,500.00
The University of Texas Health Science Center at Houston P. O. Box 20334 Houston, Texas 77225-0334	9/10/2009	Public	Restricted grant for research in the Department of Dermatology	2,500.00
Ronald McDonald House of Houston, Inc. 1907 Holcombe Boulevard Houston, Texas 77030	9/10/2009	Public	Unrestricted grant	25,000.00
Houston S. P. C. A. 900 Portway Drive Houston, Texas 77024	9/10/2009	Public	Restricted grant for portable dog kennels	25,000.00
Fellowship of Christian Athletes 8701 Leeds Road Kansas City, Missouri 64129-1626	9/10/2009	Public	Restricted grant for the Greater Fort Worth, Texas Chapter	10,000.00
Childrens Cancer Fund of Dallas, Inc. 12720 Hillcrest Road, Suite 120 Dallas, Texas 75230-2010	9/10/2009	Public	Unrestricted grant	10,000.00

THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2009

PART XV - LINE 3a - GRANTS AND CONTRIBUTIONS PAID DURING 2009

Recipient & Address	Date	Status	Purpose	Amount
The University of Texas Health Science Center at Houston P. O. Box 20334 Houston, Texas 77225-0334	9/10/2009	Public	Restricted grant for the Graduate School of Biomedical Sciences	5,000.00
The University of Texas at Austin One University Station Austin, Texas 78712	9/10/2009	Public	Restricted grant for the Veronese's *Altarpiece* exhibit at the Blanton Museum of Art	5,000.00
The University of Texas MD Anderson Cancer Center 1515 Holcombe Boulevard Houston, Texas 77030	9/10/2009	Public	Unrestricted grant	5,000.00
The Brenda and John H. Duncan Rise School of Houston 8080 North Stadium Drive Houston, Texas 77054	9/10/2009	Public	Unrestricted grant	5,000.00
The University of Texas Health Science Center at Houston P. O. Box 20334 Houston, Texas 77225-0334	9/10/2009	Public	Restricted grant for aid in the research efforts of Dr. Adelaide Hebert	2,500.00
American Cancer Society Texas Division, Inc. Attn: Thomas R. Seerden, Exec. Dir. 6301 Richmond Avenue Houston, Texas 77057	9/10/2009	Public	Restricted grant for the Reach to Recovery Program	2,500.00
The Texax Institute for Education Reform 1300 Post Oak Blvd., Suite 350 Houston, Texas 77056	9/10/2009	Public	Unrestricted grant	5,000.00
The Blue Bird Circle 6501 Fanniin Houston, Texas 77030	9/10/2009	Public	Unrestricted grant	10,000.00
The Retina Research Foundation 6560 Fannin Houston, Texas 77030	12/3/2009	Public	Unrestricted grant	15,000.00

THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2009

PART XV - LINE 3a - GRANTS AND CONTRIBUTIONS PAID DURING 2009

Recipient & Address	Date	Status	Purpose	Amount
The Texas Heart Institute 6770 Bertner Avenue Houston, Texas 77030	12/3/2009	Public	Restricted grant for stem cell research	14,000.00
Panhandle Plains Historical Museum 2503 Fourth Avenue Canyon, Texas 79015	12/3/2009	Public	Unrestricted grant given in memory of William J. "Bill" Foran	15,000.00
The University of Houston 4800 Calhoun Road Houston, Texas 77004	12/3/2009	Public	Restricted grant for funding the Voice Research Institute per proposal submitted by Dr. Eric Powitzky	10,000.00
Wounded Warrior Project 7020 A. C. Skinner Parkway, Suite 100 Jacksonville, Florida 32256	12/3/2009	Public	Unrestricted grant	2,500.00
The Heritage School P. O. Box 1217 Fredericksburg, Texas 78624	12/3/2009	Public	Unrestricted grant	1,000.00
Baylor University B. U. Box 5582 Waco, Texas 76798	12/3/2009	Public	Restricted grant for the Helen Louise McCullough Endowed Scholarship Fund	15,000.00
Texas Children's Hospital 6621 Fanniin Houston, Texas 77030	12/3/2009	Public	Restricted grant for the Ralph D. Feigin Memorial Fund	25,000.00
Baylor University B. U. Box 5582 Waco, Texas 76798	12/3/2009	Public	Restricted grant for the Patricia Ann Hooper Memorial Endowed Nursing Scholarship	25,000.00
LifeGift Endowment 2510 Westridge Houston, Texas 77054	12/3/2009	Public	Restricted grant for organ awareness initiative know as radio medical minute to be sponsored in name of LifeGift on Clear Channel Radio stations	25,000.00
Alley Theatre 615 Texas Avenue Houston, Texas 77002	12/3/2009	Public	Unrestricted grant	10,000.00

W809GRANTS

THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2009

PART XV - LINE 3a - GRANTS AND CONTRIBUTIONS PAID DURING 2009

Recipient & Address	Date	Status	Purpose	Amount
Animal Trustees of Austin P. O. Box 26742 Austin, Texas 78755-0742	12/3/2009	Public	Unrestricted grant	5,000.00
Free Enterprise Institute 9525 Katy Freeway Houston, Texas 77024	12/3/2009	Public	Unrestricted grant	10,000.00
Child Advocates, Inc. 2401 Portsmouth, Suite 210 Houston, Texas 77098	12/3/2009	Public	Unrestricted grant	10,000.00
Interfaith Ministries for Greater Housotn 3217 Montrose Boulevard Houston, Texas 77006	12/3/2009	Public	Unrestricted grant	6,000.00
Young Life P. O. Box 520 Colorado Springs, CO 80901-0520	12/3/2009	Public	Restricted grant for the Flower Mound/ Lewisville, Texas chapter	5,000.00
Houston Livestock Show & Rodeo Education Fund P. O. Box 20070 Houston, Texas 77225-0070	12/3/2009	Public	Restricted grant for a Metropolitan Scholarship	15,000.00
Rodeo Institute for Teacher Excellance 3535 Briarpark Drive, Suite 110 Houston, Texas 77042	12/3/2009	Public	Unrestricted grant	15,000.00
Boy Scouts of America, Sam Houston Area Council 2225 North Loop West Houston, Texas 77008	12/3/2009	Public	Unrestricted grant	10,000.00
The Museum of Natural Science 1 Hermann Drive Houston, Texas 77030	12/3/2009	Public	Unrestricted grant	5,000.00
Bridges to Life 12727 Kimberly Houston, Texas 77024	12/3/2009	Public	Unrestricted grant	5,000.00

W809GRANTS

THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2009

PART XV - LINE 3a - GRANTS AND CONTRIBUTIONS PAID DURING 2009

Recipient & Address	Date	Status	Purpose	Amount
Camp for All Foundation 10500 North Freeway, Suite 145 Houston, Texas 77092	12/3/2009	Public	Unrestricted grant	5,000.00
Briarwood-Brookwood, Inc. 1752 FM 1489 Road Brookshire, Texas 77423	12/3/2009	Public	Unrestricted grant	5,000.00
Monarch School 1231 Wirt Road Houston, Texas 77055	12/3/2009	Public	Unrestricted grant	5,000.00
Baylor University B. U. Box 5582 Waco, Texas 76798	12/3/2009	Public	Restricted grant for the Joe E. & Kathryn F. Coleman Endowed Scholarship Fund	32,500.00
Baylor University Law School B. U. Box 5582 Waco, Texas 76798	12/3/2009	Public	Restricted grant for the Joe E. & Kathryn F. Coleman Endowed Scholarship Fund	32,500.00
TOTAL				656,000.00

W809RELA

THE RALPH H. AND RUTH J. McCULLOUGH FOUNDATION
TIN 74-2177193

Year Ended December 31st, 2009

PART XVI-B, RELATIONSHIP OF ACTIVITIES TO THE ACCOMPLISHMENT OF EXEMPT PURPOSE

Line No.	Explanation
4	Besides providing funds for charitable purposes, dividend income on stocks and interest income on securities helped to negate inflationary eroding of the Foundation's capital and at the same time be a conservative and responsible investment income source.
11(a)	Besides providing funds for charitable purposes, oil and gas royalty interests income is a further diversification of income types and helped to negate inflationary eroding of the Foundation's capital and at the same time be a conservative and responsible investment income source.
11(b)	Besides providing funds for charitable purposes, partnership income is a further diversification of income types and helped to negate inflationary eroding of the Foundation's capital and at the same time be a conservative and responsible investment income source.