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Form **990-PF**

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

OMB No 1545-0052

2009Department of the Treasury
Internal Revenue Service

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

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

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 Edward D. & Sally M. Futch Charitable Foundation		A Employer identification number 76-0357123
	Number and street (or P O box number if mail is not delivered to street address) Room/suite 491 McCullough Rd		B Telephone number (see page 10 of the instructions)
	City or town, state, and ZIP code Kerrville TX 74028		C If exemption application is pending, check here <input type="checkbox"/>
			D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation			E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 2,771,363		J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

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))

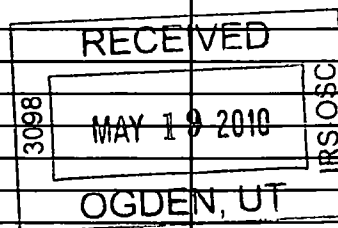
(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

		(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)				
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	48,971	48,971	48,971	
	4 Dividends and interest from securities	57,339	57,339	57,339	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	-9,782			
	b Gross sales price for all assets on line 6a 325,943				
	7 Capital gain net income (from Part IV, line 2)		0		
	8 Net short-term capital gain			0	
	9 Income modifications				
	10a Gross sales less returns & allowances				
Operating and Administrative Expenses	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)				
	12 Total. Add lines 1 through 11	96,528	106,310	106,310	
	13 Compensation of officers, directors, trustees, etc				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) Stmt 1	2,114			
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions) Stmt 2	1,276	1,276		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (att sch) Stmt 3	7,815	7,815		
	24 Total operating and administrative expenses. Add lines 13 through 23	11,205	9,091		0
	25 Contributions, gifts, grants paid	110,000			110,000
	26 Total expenses and disbursements. Add lines 24 and 25	121,205	9,091	0	110,000
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-24,677			
	b Net investment income (if negative, enter -0-)		97,219		
	c Adjusted net income (if negative, enter -0-)			106,310	



For Privacy Act and Paperwork Reduction Act Notice, see page 30 of the instructions.

Form 990-PF (2009)

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing				
	2	Savings and temporary cash investments		707,074	491,683	488,511
	3	Accounts receivable ▶ Less allowance for doubtful accounts ▶				
	4	Pledges receivable ▶ Less allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions)				
	7	Other notes and loans receivable (attach schedule) ▶ Less allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments—U S and state government obligations (attach schedule) Stmt 4		406,906	508,272	513,473
	b	Investments—corporate stock (attach schedule) See Stmt 5		1,553,538	319,611	344,894
	c	Investments—corporate bonds (attach schedule) See Stmt 6		222,658	1,555,552	1,424,485
	11	Investments—land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶				
	12	Investments—mortgage loans				
	13	Investments—other (attach schedule)				
	14	Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶				
	15	Other assets (describe ▶)				
	16	Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)		2,890,176	2,875,118	2,771,363
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe ▶)				
	23	Total liabilities (add lines 17 through 22)		0	0	
Net Assets or Fund Balances		Foundations that follow SFAS 117, check here <input type="checkbox"/> 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 <input checked="" type="checkbox"/> and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds				
	28	Paid-in or capital surplus, or land, bldg, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds		2,890,176	2,875,118	
	30	Total net assets or fund balances (see page 17 of the instructions)		2,890,176	2,875,118	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)		2,890,176	2,875,118	

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	2,890,176
2	Enter amount from Part I, line 27a	2	-24,677
3	Other increases not included in line 2 (itemize) ▶ See Statement 7	3	9,664
4	Add lines 1, 2, and 3	4	2,875,163
5	Decreases not included in line 2 (itemize) ▶ See Statement 8	5	45
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	2,875,118

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 See Worksheet			
b			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
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**-9,782****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**-6,250****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	218,089	1,994,594	0.109340
2007	42,146	1,500,069	0.028096
2006		2,280,019	
2005		3,133	
2004		3,133	

2 Total of line 1, column (d)**2****0.137436****3** Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years**3****0.068718****4** Enter the net value of noncharitable-use assets for 2009 from Part X, line 5**4****2,662,701****5** Multiply line 4 by line 3**5****182,975****6** Enter 1% of net investment income (1% of Part I, line 27b)**6****972****7** Add lines 5 and 6**7****183,947****8** Enter qualifying distributions from Part XII, line 4**8****110,000**

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 <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	1,944
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0
3	Add lines 1 and 2	3	1,944
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	1,944
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 <input checked="" type="checkbox"/> if Form 2220 is attached	8	36
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	1,980
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 <input type="checkbox"/> Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?		X
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		
1c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <input type="checkbox"/> TX		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

Part VII-A Statements Regarding Activities (continued)

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		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A	13	X	
14	The books are in care of ▶ William Ansell 1011 Tremont Located at ▶ Galveston, TX	Telephone no ▶ 281-488-2022 ZIP+4 ▶ 77550		
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		▶ <input type="checkbox"/>

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

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

		Yes	No
1a During the year did the foundation (either directly or indirectly)			
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?	N/A	1b	
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?	N/A	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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If "Yes," list the years ▶ 20 , 20 , 20 , 20			
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 20 of the instructions)	N/A	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20 , 20 , 20 , 20			
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)	N/A	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?		4b	X

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

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

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
Sally M. Futch 1021 Harborview Dr Galveston TX 77550	Trustee 0.00	0	0	0
William C. Ansell 1011 Tremont Galveston TX 77550	Trustee 0.00	0	0	0
Anne W. Brown 451 McCullough Road Kerrville TX 78028	Trustee 0.00	0	0	0
Michael Hughes 802 25th St. Galveston TX 77550	Trustee 0.00	0	0	0

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				

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

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		

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 N/A	
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 N/A	
2	
All other program-related investments See page 24 of the instructions	
3	
Total. Add lines 1 through 3 ▶	

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	2,545,034
b	Average of monthly cash balances	1b	158,216
c	Fair market value of all other assets (see page 24 of the instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	2,703,250
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	2,703,250
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	40,549
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,662,701
6	Minimum investment return. Enter 5% of line 5	6	133,135

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	133,135
2a	Tax on investment income for 2009 from Part VI, line 5	2a	1,944
b	Income tax for 2009 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	1,944
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	131,191
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	131,191
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	131,191

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	110,000
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	110,000
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	110,000

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				131,191
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2009				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008				103,536
f Total of lines 3a through e	103,536			
4 Qualifying distributions for 2009 from Part XII, line 4 \rightarrow \$ 110,000				
a Applied to 2008, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2009 distributable amount				110,000
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))	21,191			21,191
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	82,345			
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions				
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				0
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)				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	82,345			
10 Analysis of line 9				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008	82,345			
e Excess from 2009				

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year UTMB 301 University Blvd. Galveston TX 77555 Ducks Unlimited One Waterfowl Way Memphis TX 38120	Department of Internal Medicine Conserve & protect wetland habitat.		10,000 100,000	
Total			▶ 3a	110,000
b Approved for future payment N/A				
Total			▶ 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See 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			14	48,971	
4 Dividends and interest from securities			14	57,339	
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					-9,782
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a _____					
b _____					
c _____					
d _____					
e _____					
12 Subtotal. Add columns (b), (d), and (e)		0		106,310	-9,782
13 Total. Add line 12, columns (b), (d), and (e)				13	96,529

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

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

[illegible]

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?

(1) Cash

(2) Other assets

b Other transactions

(1) Sales of assets to a noncharitable exempt organization

(2) Purchases of assets from a noncharitable exempt organization

(3) Rental of facilities, equipment, or other assets

(4) Reimbursement arrangements

(5) Loans or loan guarantees

(6) Performance of services or membership or fundraising solicitations

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

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

[illegible]

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
N/A		

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

Date: _____

Title

Sign Here

**Paid
Preparer's
Use Only**

Preparer's
signature

William C. Ansell, CPA

Date _____

05/06/10

Check if
self-employed

Preparer's identifying
number (see **Signature** on
page 30 of the instructions)
P00758148

Firm's name (or yours if self-employed), address, and ZIP code

DRDA, PLLC

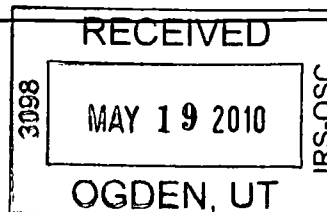
1011 Tremont

Galveston, TX 77550

EIN ▶ 76-0229852

Phone no **409-765-9311**Form **990-PF** (2009)

DAA



Form 990-PF	Capital Gains and Losses for Tax on Investment Income	2009
For calendar year 2009, or tax year beginning _____, and ending _____		

Name Edward D. & Sally M. Futch Charitable Foundation	Employer Identification Number 76-0357123
---	---

(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.)
(1) Merrill Lynch - See Statement	P	Various	Various
(2) Merrill Lynch - See Statement	P	Various	Various
(3) Merrill Lynch - See Statement	P	Various	Various
(4) Pfizer Inc.	P	11/03/09	11/03/09
(5) National City Bank CD	P	01/29/08	02/17/09
(6) Wachovia Bank CD	P	05/06/08	05/27/09
(7) Merrill Lynch - See Statement	P	Various	Various
(8) Merrill Lynch - See Statement	P	Various	Various
(9) Merrill Lynch - See Statement	P	Various	Various
(10) Merrill Lynch - See Statement	P	Various	Various
(11) Merrill Lynch - See Statement	P	09/15/08	02/20/09
(12)			
(13)			
(14)			
(15)			

(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)
(1) 2,681		2,008	673
(2) 2,956		5,676	-2,720
(3) 893		4,974	-4,081
(4) 11			11
(5) 99,000		99,000	
(6) 99,000		99,000	
(7) 16,608		15,916	692
(8) 23,191		28,221	-5,030
(9) 54,905		52,971	1,934
(10) 9,699		11,084	-1,385
(11) 16,999		16,875	124
(12)			
(13)			
(14)			
(15)			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) OR Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
(1)			673
(2)			-2,720
(3)			-4,081
(4)			11
(5)			
(6)			
(7)			692
(8)			-5,030
(9)			1,934
(10)			-1,385
(11)			124
(12)			
(13)			
(14)			
(15)			

Federal Statements

5/6/2010 6:46 PM

Statement 1 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Accounting Fees	\$ 2,114	\$	\$	\$
Total	\$ 2,114	\$ 0	\$ 0	\$ 0

Statement 2 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Foreign Taxes	\$ 113	\$ 113	\$	\$
FIT	1,163	1,163		
Total	\$ 1,276	\$ 1,276	\$ 0	\$ 0

Statement 3 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Expenses			\$	\$
Investment Expenses	7,815	7,815		
Total	\$ 7,815	\$ 7,815	\$ 0	\$ 0

Federal Statements**Statement 4 - Form 990-PF, Part II, Line 10a - US and State Government Investments**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
US Govt Securities	\$ 406,906	\$ 508,272	Cost	\$ 513,473
Total	<u>\$ 406,906</u>	<u>\$ 508,272</u>		<u>\$ 513,473</u>

Statement 5 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
Merrill Lynch	\$ 1,553,538	\$ 319,611	Cost	\$ 344,894
Total	<u>\$ 1,553,538</u>	<u>\$ 319,611</u>		<u>\$ 344,894</u>

Statement 6 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
Merrill Lynch	\$ 222,658	\$ 1,555,552	Cost	\$ 1,424,485
Total	<u>\$ 222,658</u>	<u>\$ 1,555,552</u>		<u>\$ 1,424,485</u>

Statement 7 - Form 990-PF, Part III, Line 3 - Other Increases

Description	Amount
Basis Adjustment	\$ 9,664
Total	<u>\$ 9,664</u>

Statement 8 - Form 990-PF, Part III, Line 5 - Other Decreases

Description	Amount
Penalty	\$ 45
Total	<u>\$ 45</u>



Account No.
518-04020

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76-0357123

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EDWARD D AND SALLY M FUTCH

2009 ANNUAL STATEMENT SUMMARY

Your Tax Reporting Statement information that follows is a personal summary of your account activity and is not reported to the IRS.

The Capital Gain and Loss Transaction section is provided to facilitate your review and may not include return of capital, sales load deferral, or wash sales adjustments. RICs (which may include mutual funds and unit investment trusts) may reclassify principal distributions as capital gains. The cost basis for these securities may not have been adjusted on your statement to reflect such reclassifications. Please refer to information provided by the RIC and discuss with your tax advisor. Securities distributed from a retirement account reflect the tax basis on the date of distribution. Other methods for calculating gain (loss) are available. The cost basis for most Original Issue Discount ("OID") obligations includes the accretion of OID. For purposes of allocating original purchase price to the components of an equity unit consisting of a purchase contract and a debt security subject to a remarketing event, we assumed the fair market value of the debt security on purchase date was equal to its adjusted issue price. The difference between your original cost and the amount allocable to the debt component was allocated to the purchase contract. In making adjustments to the cost basis of the purchase contract, it was assumed that the unit holder included contract adjustment payments in income received. In calculating gain (loss), unless otherwise noted, it was assumed that the oldest position was liquidated first, and that an election was in effect to amortize premium paid on the purchase of taxable bonds.

Dividend and interest details are repeated in the following pages for your convenience. Additionally, we have included items such as margin interest and select account fees if applicable. Please discuss the deductibility of these items with your tax advisor. For select clients, we have also included a summary of Visa charges and checking activity.

Merrill Lynch is neither a tax return preparer or tax advisor. Please see your tax advisor for more information.

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Liquidated		Amortization/Accretion		Sales Price	Cost Basis	Gain or (Loss)
		Date Acquired	Date Liquidated	Year-to-Date	Life-to-Date			

SHORT TERM CAPITAL GAINS

RIO TINTO PLC SPNSRD ADR	7.0000	07/17/09	07/17/09			159.83	159.83	0.00
ROHM AND HAAS	17.0000	06/30/08	04/02/09			1,326.00	792.69	533.31
WYETH	24.0000	05/08/09	10/16/09			1,194.85	1,055.63	139.22
Short Term Capital Gains Subtotal						2,680.68	2,008.15	672.53

SHORT TERM CAPITAL LOSSES

AT&T INC	24.0000	06/30/08	02/25/09			558.79	798.66	(239.87)
CBS CORP NEW CL B	38.0000	01/23/08	01/22/09			247.86	846.02	(598.16)
GENL DYNAMICS CORP COM	10.0000	06/30/08	02/25/09			472.35	845.89	(373.54)
PROCTER & GAMBLE CO	16.0000	06/30/08	02/25/09			788.26	976.38	(188.12)
RIO TINTO PLC SPNSRD ADR	3.0000	06/30/08	02/18/09			316.60	1,473.59	(1,156.99)



EDWARD D AND SALLY M FUTCH

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2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
SEMPRA ENERGY	2.0000	06/30/08	01/26/09			87.97	112.77	(24.80)
	11.0000	07/01/08	01/26/09			483.84	622.97	(139.13)
Security Subtotal						571.81	735.74	(163.93)
Short Term Capital Losses Subtotal						2,955.67	5,676.28	(2,720.61)
NET SHORT TERM CAPITAL GAIN (LOSS)								(2,048.08)
LONG TERM CAPITAL LOSSES								
BANK OF AMERICA CORP	96.0000	08/09/07	01/15/09			834.46	4,693.45	(3,858.99)
CBS CORP NEW CL B	9.0000	08/09/07	01/22/09			58.70	280.36	(221.66)
Long Term Capital Losses Subtotal						893.16	4,973.81	(4,080.65)
NET LONG TERM CAPITAL GAIN (LOSS)								(4,080.65)
OTHER TRANSACTIONS								
PFIZER INC	.0000	11/03/09	11/03/09			11.02	N/A	N/A
Other Transactions Subtotal						11.02		
TOTAL CAPITAL GAINS AND LOSSES								
TOTAL REPORTABLE GROSS PROCEEDS						6,540.53	12,658.24	(6,128.73)
DIFFERENCE						6,540.53		
						0.00*		

Note. Capital gains and losses in this statement are not reported to the IRS.

* Difference reflects items that are included in the reportable gross proceeds section of your statement but are not included in the gain/loss section (e.g., liquidation of fractional shares and the proceeds from certain tender offers). It also reflects items that are included in the gain/loss section of your statement but not in the reportable gross proceeds section (e.g., option premium received).

N/A - Results which cannot be calculated because of insufficient data in the Capital Gain or (Loss) Column and are not included in the realized capital gain and loss summary.



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EDWARD D AND SALLY M FUTCH

2009 ANNUAL STATEMENT SUMMARY

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Dividend and Interest details are repeated in the following pages for your convenience. Additionally, we have included items such as margin interest and select account fees if applicable. Please discuss the deductibility of these items with your tax advisor. For select clients, we have also included a summary of Visa charges and checking activity.

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2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
SHORT TERM CAPITAL GAINS								
US TSY 4.375% AUG 15 201	10000.00000\$	07/16/08	02/04/09	(12.27)(A)	(69.34)(A)	11,003.14	10,468.97(C)	534.17
US TSY 4.125% MAY 15 201	1000.00000\$	03/05/08	02/20/09	(1.09)(A)	(6.91)(A)	1,106.88	1,050.12(C)	56.76
US TSY 5.125% MAY 15 201	4000.00000\$	10/01/08	06/03/09	(21.40)(A)	(33.70)(A)	4,498.13	4,396.45(C)	101.68
Short Term Capital Gains Subtotal							15,915.54	692.61
SHORT TERM CAPITAL LOSSES								
HARTFORD FINL SVC 6.30% 1	1000.00000\$	03/03/08	02/25/09	(0.15)(A)	(0.87)(A)	655.00	1,010.79(C)	(355.79)
	2000.00000\$	03/03/08	02/26/09	(0.30)(A)	(1.74)(A)	1,285.00	2,021.58(C)	(736.58)
	2000.00000\$	03/03/08	03/03/09	(0.32)(A)	(1.76)(A)	1,155.00	2,021.56(C)	(866.56)
	3000.00000\$	05/13/08	03/06/09	(1.37)(A)	(5.74)(A)	1,657.50	3,084.41(C)	(1,426.91)
Security Subtotal							8,138.34	(3,385.84)



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EDWARD D AND SALLY M FUTCH

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
US TSY 4.500% MAY 15 201	17000.00000\$	12/30/08	06/03/09	(152.54)(A)	(152.54)(A)	18,438.96	20,082.84(C)	(1,643.88)
Short Term Capital Losses Subtotal								
NET SHORT TERM CAPITAL GAIN (LOSS)								
LONG TERM CAPITAL GAINS								
FEDEX CORP 5.50% AUG 15 09	6000.00000\$	08/30/07	08/17/09	(25.17)(A)	(79.12)(A)	6,000.00	6,000.00(C)	0.00
SBC COMMUN 4.12% SEP 15 09	6000.0000	08/23/07	09/15/09			6,000.00	5,887.50	112.50
US TSY 3.375% OCT 15 200	4000.0000	08/08/07	07/01/09			4,035.63	3,894.53	141.10
	5000.0000	08/08/07	07/08/09			5,041.60	4,868.16	173.44
	4000.0000	08/08/07	07/31/09			4,024.99	3,894.53	130.46
	21000.0000	08/08/07	10/15/09			21,000.00	20,446.30	553.70
Security Subtotal						34,102.22	33,103.52	998.70
US TSY 4.375% AUG 15 201	2000.0000	08/08/07	02/04/09			2,200.62	1,971.49	229.13
	6000.0000\$	08/23/07	02/04/09	(0.22)(A)	(3.16)(A)	6,601.87	6,008.56(C)	593.31
Security Subtotal						8,802.49	7,980.05	822.44
Long Term Capital Gains Subtotal								
LONG TERM CAPITAL LOSSES								
HARTFORD FINL SVC 6.30% 1	1000.0000\$	03/03/08	03/06/09	(0.17)(A)	(0.89)(A)	552.50	1,010.77(C)	(458.27)
SIMON PROPERTY GR 5.75% 1	4000.0000	08/23/07	02/20/09			3,095.11	3,958.25	(863.14)



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EDWARD D AND SALLY M FUTCH

2009 ANNUAL STATEMENT SUMMARY

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
HSBC FINANCE CORP	6000.0000\$	08/23/07	06/12/09	(13.98)(A)	(52.57)(A)	6,051.78	6,115.43(C)	(63.65)
Long Term Capital Losses Subtotal								
						9,699.39	11,084.45	(1,385.06)
NET LONG TERM CAPITAL GAIN (LOSS)								
								548.58
OTHER TRANSACTIONS								
U.S. TREASURY BILL	17000.0000	09/15/08	02/20/09			16,998.51	16,874.62	N/C
Other Transactions Subtotal								
						16,998.51	16,874.62	
TOTAL CAPITAL GAINS AND LOSSES								
TOTAL REPORTABLE GROSS PROCEEDS								
DIFFERENCE								
						121,402.22	125,066.86	(3,788.53)
						121,402.22		
						0.00 *		

Note: Capital gains and losses in this statement are not reported to the IRS.

* Difference reflects items that are included in the reportable gross proceeds section of your statement but are not included in the gain/loss section (e.g., liquidation of fractional shares and the proceeds from certain tender offers). It also reflects items that are included in the gain/loss section of your statement but not in the reportable gross proceeds section (e.g., option premium received).

N/C - Results may not be calculated for transactions which involve the amortization of premium, the repayment of principal, the sale of partnership interest, derivative products purchased in the secondary market, or the determination of ordinary income and/or capital items for discount and zero coupon issues.

\$ - Bonds purchased at a premium show amortization.

(A) - Year-to-Date and Life-to-Date amortization/accretion figures are net adjustments and may include original issue discount, and/or premium or market discount adjustments, if applicable. These figures assume that the client has made all elections to amortize bond premium and accrete market discount on a current basis. A negative figure indicates a net reduction in cost basis due to such factors as premium amortization.

(C) - The cost basis reflects adjustments for amortized and/or accreted amounts.