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Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust

Treated as a Private Foundation

2009

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

Name of foundation

THE VANDAL & WINIFRED MERCER TEXAS
A & M EDUCATIONAL FOUNDATION

A Employer identification number

76-0472391

Number and street (or P O box number if mail is not delivered to street address)

Room/suite

C/O FROST BANK TRUST DEPT, PO BOX 8210

B Telephone number

(409) 770-5665

City or town, state, and ZIP code

GALVESTON, TX 77553-8210

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

J Accounting method

☒ Cash ☐ Accrual

(from Part II, col. (c), line 16)

☐ Other (specify)

\$ 1,355,725. (Part I, column (d) must be on cash basis.)

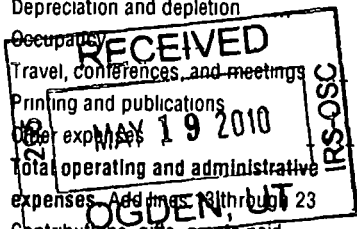
Part I Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

	(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				
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments	142.	142.	142.	STATEMENT 1
4 Dividends and interest from securities	17,024.	17,024.	17,024.	STATEMENT 2
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	13,845.			
b Gross sales price for all assets on line 6a	13,845.			
7 Capital gain net income (from Part IV, line 2)		13,845.		
8 Net short-term capital gain			0.	
9 Income modifications			67,354.	
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit or (loss)				
11 Other income	3,295.	3,295.	3,295.	STATEMENT 3
12 Total. Add lines 1 through 11	34,306.	34,306.	87,815.	
Operating and Administrative Expenses				
13 Compensation of officers, directors, trustees, etc	25,311.	7,560.	7,560.	17,752.
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees				
b Accounting fees STMT 4	1,750.	875.	875.	875.
c Other professional fees STMT 5	143.	143.	143.	0.
17 Interest				
18 Taxes STMT 6	1,026.	609.	609.	0.
19 Depreciation and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses				
24 Total operating and administrative expenses. Add lines 16a through 23	28,230.	9,187.	9,187.	18,627.
25 Contributions, gifts, grants paid	83,750.			83,750.
26 Total expenses and disbursements. Add lines 24 and 25	111,980.	9,187.	9,187.	102,377.
27 Subtract line 26 from line 12	-77,674.			
a Excess of revenue over expenses and disbursements		25,119.		
b Net investment income (if negative, enter -0-)			78,628.	
c Adjusted net income (if negative, enter -0-)				

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SCANNED MAY 31 2010



**THE VANDAL & WINIFRED MERCER TEXAS
A & M EDUCATIONAL FOUNDATION**

Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year	End of year		
		(a) Book Value	(b) Book Value	(c) Fair Market Value	
Assets	1 Cash - non-interest-bearing	-3.			
	2 Savings and temporary cash investments	95,547.	88,134.	88,134.	
	3 Accounts receivable 2.				
	Less: allowance for doubtful accounts	32.	2.	2.	
	4 Pledges receivable				
	Less: allowance for doubtful accounts				
	5 Grants receivable				
	6 Receivables due from officers, directors, trustees, and other disqualified persons				
	7 Other notes and loans receivable				
	Less: allowance for doubtful accounts				
	8 Inventories for sale or use				
	9 Prepaid expenses and deferred charges	2,880.			
	10a Investments - U.S. and state government obligations				
	b Investments - corporate stock				
	c Investments - corporate bonds				
Liabilities	11 Investments - land, buildings, and equipment basis				
	Less: accumulated depreciation				
	12 Investments - mortgage loans				
	13 Investments - other STMT 8	1,294,924.	1,294,924.	1,227,683.	
	14 Land, buildings, and equipment basis				
	Less: accumulated depreciation				
	15 Other assets (describe MINERAL INTERESTS)	4.	4.	39,906.	
	16 Total assets (to be completed by all filers)	1,393,384.	1,383,064.	1,355,725.	
	17 Accounts payable and accrued expenses				
	18 Grants payable				
Net Assets or Fund Balances	19 Deferred revenue				
	20 Loans from officers, directors, trustees, and other disqualified persons				
	21 Mortgages and other notes payable				
	22 Other liabilities (describe)				
	23 Total liabilities (add lines 17 through 22)	0.	0.		
Foundations that follow SFAS 117, check here <input type="checkbox"/>	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 <input checked="" type="checkbox"/>	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.			
		27 Capital stock, trust principal, or current funds	0.	0.	
		28 Paid-in or capital surplus, or land, bldg, and equipment fund	0.	0.	
29 Retained earnings, accumulated income, endowment, or other funds	1,393,384.	1,383,064.			
30 Total net assets or fund balances	1,393,384.	1,383,064.			
31 Total liabilities and net assets/fund balances	1,393,384.	1,383,064.			

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)	1,393,384.
2 Enter amount from Part I, line 27a	-77,674.
3 Other increases not included in line 2 (itemize) SEE STATEMENT 7	67,354.
4 Add lines 1, 2, and 3	1,383,064.
5 Decreases not included in line 2 (itemize) 	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	1,383,064.

THE VANDAL & WINIFRED MERCER TEXAS

Form 990-PF (2009)

A & M EDUCATIONAL FOUNDATION

76-0472391

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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 CAPITAL GAINS DIVIDENDS				
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 13,845.			13,845.	
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))	
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any		
a			13,845.	
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)		2		13,845.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)		3		0.

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 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	114,793.	1,414,947.	.081129
2007	96,333.	1,577,901.	.061051
2006	86,997.	1,506,476.	.057749
2005	87,657.	1,443,500.	.060725
2004	99,392.	1,371,934.	.072447

2 Total of line 1, column (d)	2	.333101
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	.066620
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	1,250,535.
5 Multiply line 4 by line 3	5	83,311.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	251.
7 Add lines 5 and 6	7	83,562.
8 Enter qualifying distributions from Part XII, line 4	8	102,377.

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	251.
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	251.
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	251.
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		0.
8 Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		251.
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
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ 0. (2) On foundation managers <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ 0.		
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 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)? If "Yes," complete Part XIV	X	
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation 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 ▶ FROST NATIONAL BANK TRUST DEPT. Telephone no ▶ 409-770-5665 Located at ▶ P. O. BOX 8210, GALVESTON, TX ZIP+4 ▶ 77553			
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

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)? Organizations relying on a current notice regarding disaster assistance check here N/A <input type="checkbox"/>	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?	1c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 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 ▶		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions) 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 ▶		
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

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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))?

☐ 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)?

☐ 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 instructions)?

N/A

5b

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?

N/A

☐ 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?

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.

(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
FROST NATIONAL BANK	TRUSTEE			
P. O. BOX 8210				
GALVESTON, TX 775538210	4.00	25,311.	0.	0.
ALBERT SHANNON	DIRECTOR			
FROST NATIONAL BANK, P. O. BOX 179				
GALVESTON, TX 775538210	0.16	0.	0.	0.
KATHERINE KONKEL	DIRECTOR			
FROST NATIONAL BANK, P. O. BOX 179				
GALVESTON, TX 775538210	0.16	0.	0.	0.
JOHN R. SULLIVAN	DIRECTOR			
P. O. BOX 131486				
HOUSTON, TX 77219	0.16	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

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

0

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	1,133,495.
b	Average of monthly cash balances	1b	96,176.
c	Fair market value of all other assets	1c	39,908.
d	Total (add lines 1a, b, and c)	1d	1,269,579.
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	1,269,579.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	19,044.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,250,535.
6	Minimum investment return. Enter 5% of line 5	6	62,527.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☒ and do not complete this part)

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

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	102,377.
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	
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	102,377.
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	5	251.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	102,126.

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				0.
2 Undistributed Income, if any, as of the end of 2009				
a Enter amount for 2008 only			0.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2009				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ N/A				
a Applied to 2008, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2009 distributable amount				0.
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 instructions		0.		
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount - see instr			0.	
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)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7	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				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

1 a 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)

2 a 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

Tax year	Prior 3 years			(e) Total
(a) 2009	(b) 2008	(c) 2007	(d) 2006	
62,527.	70,747.	78,895.	75,324.	287,493.
53,148.	60,135.	67,061.	64,025.	244,369.
102,377.	115,210.	96,333.	86,997.	400,917.
0.	0.	0.	0.	0.
102,377.	115,210.	96,333.	86,997.	400,917.
				0.
				0.
41,685.	47,165.	52,597.	50,216.	191,663.
				0.
				0.
				0.
				0.

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 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 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

FROST NATIONAL BANK, TRUSTEE, (409)770-5665
P.O. BOX 8210, GALVESTON, TX 775538210

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

SEE ATTACHED APPLICATION

c Any submission deadlines

APPLICATIONS ACCEPTED JANUARY 1 THROUGH MARCH 31 OF EACH YEAR

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

NEEDY/WORTHY STUDENTS, TEXAS RESIDENTS, GRADUATE OF TX HIGH SCHOOL, ATTEND TEXAS A & M UNIVERSITY

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 STUDENT LOANS (SEE ATTACHED SCHEDULE)	NONE	N/A	EDUCATIONAL	83,750.
Total			▶ 3a	83,750.
b Approved for future payment NONE				
Total			▶ 3b	0.

Enter gross amounts unless otherwise indicated

(See worksheet in line 13 instructions to verify calculations)

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

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

		Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) 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		X
	(2) Other assets		X
b	Other transactions.		
	(1) Sales of assets to a noncharitable exempt organization		X
	(2) Purchases of assets from a noncharitable exempt organization		X
	(3) Rental of facilities, equipment, or other assets		X
	(4) Reimbursement arrangements		X
	(5) Loans or loan guarantees		X
	(6) Performance of services or membership or fundraising solicitations		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees		X
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received		

[illegible]

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

Sign Here

Signature of officer or trustee

Date _____

➔ Title

Preparer's
signature

Date

Check if self- employed	
-------------------------------	--

Preparer's identifying number

Firm's name (or yours if self-employed), address, and ZIP code **HEAD, MAXWELL & MCKENNA, P.C.**
2200 MARKET STREET, SUITE 401
GALVESTON, TX 77550

EIN ▶

Phone no (409) 763-6479

Form **990-PF** (2009)

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
AIM SHORT TERM TREASURY PORTFOLIO	142.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	142.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
FROST KEMPNER MULTI-CAP DEEP VALUE EQUITY FUND	13,090.	0.	13,090.
FROST KEMPNER TREASURY & INCOME FUND	17,779.	13,845.	3,934.
TOTAL TO FM 990-PF, PART I, LN 4	30,869.	13,845.	17,024.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
ROYALTY INCOME	3,295.	3,295.	3,295.
TOTAL TO FORM 990-PF, PART I, LINE 11	3,295.	3,295.	3,295.

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FORM 990 PF TAX PREP FEE	1,750.	875.	875.	875.
TO FORM 990-PF, PG 1, LN 16B	1,750.	875.	875.	875.

FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
OIL & GAS PROFESSIONAL FEES	143.	143.	143.	0.
TO FORM 990-PF, PG 1, LN 16C	143.	143.	143.	0.

FORM 990-PF	TAXES	STATEMENT	6
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL EXCISE TAX ON INVESTMENT INCOME	417.	0.	0.	0.
AD VALOREM TAXES	386.	386.	386.	0.
OIL & GAS PRODUCTION TAXES	223.	223.	223.	0.
TO FORM 990-PF, PG 1, LN 18	1,026.	609.	609.	0.

FORM 990-PF	OTHER INCREASES IN NET ASSETS OR FUND BALANCES	STATEMENT	7
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DESCRIPTION	AMOUNT
REPAYMENT & REVERSALS OF STUDENT LOANS	67,354.
TOTAL TO FORM 990-PF, PART III, LINE 3	67,354.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	8
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
FROST KEMPNER MULTI-CAP DEEP VALUE EQUITY FUND	COST	748,025.	625,849.
FROST KEMPNER TREASURY & INCOME FUND	COST	546,899.	601,834.
TOTAL TO FORM 990-PF, PART II, LINE 13		1,294,924.	1,227,683.

THE VANDAL & WINIFRED MERCER TEXAS A & M EDUCATIONAL FOUNDATION
76-0472391

Form 990-PF, Part XV

Line 3 (a), Loans Made During the Year

GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR ENDING DECEMBER 31, 2009

<u>NAME</u>	<u>ADDRESS</u>	<u>AMOUNT</u>
Aldrete, Jennifer L	6911 Northhampton Way Houston, TX 77055	\$ 2,500.00
Aldrete, Stephanie A.	6911 Northhampton Way Houston, TX 77055	2,500.00
Bass, Mary C.	7504 Teakwood Ct North Richland Hills, TX 76180	2,500.00
Brademan, William T	P O Box 36 Lexington, TX 78947	1,250.00
Castleberry, Rachel K.	18802 Surreywood San Antonio, TX 78258	2,500.00
Cordaro, Christina R.	14 Garland Grove Place The Woodlands, TX 77381	2,500.00
Foderetti, Lena M.	1618 Huge Oaks Street Houston, TX 77055	2,500.00
Foderetti, Jr., Michael A	1618 Huge Oaks Street Houston, TX 77055	2,500.00
Garza, Sarah O.	4028 Lovers Lane Dickinson, TX 77539	2,500.00
Gehrig, Mark A.	P.O. Box 323 Muenster, TX 76252	5,000.00
Hammond, Riley A..	37 Ranch House Loop Angleton, TX 77515	2,500.00
Hammond, Robyn L	37 Ranch House Loop Angleton, TX 77515	2,500.00
Hartwick, Landon A	202 Pinewood Trail Forney, TX 75126	2,500.00
James, Jessica C.	5258 Willowbend Houston, TX 77096	2,500.00
Jerome, Caroline A.	7035 Linerick Drive Beaumont, TX 77706	2,500.00
Kleppe, Scott K.	9108 Drumcliff Lane Dallas, TX 75231	2,500.00

THE VANDAL & WINIFRED MERCER TEXAS A & M EDUCATIONAL FOUNDATION
76-0472391

Form 990-PF, Part XV

Line 3 (a), Loans Made During the Year

GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR ENDING DECEMBER 31, 2009

<u>NAME</u>	<u>ADDRESS</u>	<u>AMOUNT</u>
Kulhanek, Krsty L.	1647 Ehlinger Rd Fayetteville, TX 78940	2,500 00
Lawrence, Kayla C.	6104 Wiseman Rd Midway, TX 75852	2,500.00
Lutz, Austin G.	4810 Renies Ct Needville, TX 77461	2,500 00
Mencacci, Lee A.	1512 Driftwood Lane Galveston, TX 77551	2,500.00
Nemec, Ryan C.	16806 Village Corner Ct Houston, TX 77059	2,500 00
Nemec, Shelley E.	16806 Village Corner Ct Houston, TX 77059	2,500.00
Parks, Regis S.	355 Dewbre Road Marble Falls, TX 78654	2,500.00
Pearce, Whitney M.	12 N. Flamingo LaMarque, TX 77568	2,500 00
Plitt, Michael D.	2920 31st Ave N Texas City, TX 77590	2,500.00
Rogers, Cassie E.	1628 Biovu Galveston, TX 77551	2,500.00
Sablatura, Kohen L.	59 Sterling Street Sugar Land, TX 77479	2,500 00
Salas, Rosa M.	2322 Fairway Drive Angleton, TX 77515	2,500.00
Stansbury, Vanessa M.	2543 Teal Drive College Station, TX 77840	2,500.00
Szopinski, Jenna L.	204 Whitehall Ln League City, TX 77573	2,500.00
Thaler, Kelsie E.	7405 Hwy 75 S Huntsville, TX 77340	2,500 00
Walker, Kaitlyn E.	3403 Del Norte Drive Baytown, TX 77521	2,500.00
Wyble, Jacob S	6326 Darby Way Sprng, TX 77389	2,500 00

\$ 83,750 00

VANDAL & WINIFRED MERCER TAMU FOUNDATION

c/o Frost National Bank

P O Box 8210, Galveston, TX 77553-8210

(409) 770-5665

**INTEREST FREE
STUDENT LOAN APPLICATION****Applicant Data**

Full Name (Last, First, Middle) _____ Birth Date _____
 Billing Address _____ Citizenship _____
 City _____ State _____ Zip Code _____
 Social Security No _____ Telephone No _____
 Permanent Address: _____ Years There _____
 City _____ State _____ Zip Code _____
 Marital Status: _____ Spouses Name _____

Educational Data

Name of Texas high school attended _____
 Location of high school _____ Date of high school graduation _____
 TAMU campus you plan to attend _____
 College classification for the upcoming fall/spring school term (Fr, Soph, Jr, Sr) _____
 Major _____ Anticipated Graduation Date (Month/Year) _____
 Degree to be attained _____ Career Plans _____

List any previous colleges or universities attended and any degrees you have received

Loan Data

The maximum loan amount is \$2,500 00 per year with required minimum repayments of \$25 00 per month
 Fall 2010 \$ _____ Spring 2011 \$ _____ Total Amount requested \$ _____
 Monthly Repayment Amount \$ _____ Estimated expenses for the fall/spring school term \$ _____
 Have you ever defaulted on a student loan, or any other loan? _____

Co-signer Information

We require two co-signers to guarantee each loan. There are no exceptions to this policy. Please refer to the rules and guidelines for complete co-signer requirements.

FATHER	(1)	MOTHER
Full Name _____		_____
Home Address _____		_____
City, State, Zip _____		_____
Occupation _____		_____
Employer _____		_____
Social Security No _____		_____
Date of Birth _____		_____

Will your parent or guardian co-sign on this loan? _____

Required Additional Co-Signer (2)

Full Name _____
 Home Address _____
 City, State, Zip _____
 Occupation _____ Employer _____
 Social Security No _____ Date of Birth _____

References

Include a letter from both references with your application

Personal Reference - Name _____
 Address, City, State, Zip _____
 Faculty Reference - Name _____
 Address, City, State, Zip _____

Financial Data

Projected Annual Expenses

Tuition and Fees \$ _____
Books and Supplies \$ _____
Housing \$ _____

Living Costs (child care,
food, clothing) \$ _____
Travel \$ _____

Personal and Recreational \$ _____
(incl credit card debts)
Car costs \$ _____
(payment, insurance, maintenance)
Other Misc Debts \$ _____

Projected Annual Income

Savings \$ _____
Employment \$ _____
Aid from relatives \$ _____

Scholarships
(detail below) \$ _____
Loans \$ _____
(detail below)
Veteran's Benefits \$ _____

Other \$ _____

Summary

Total Annual Expenses \$ _____
Total Annual Income \$ _____
Balance Needed \$ _____

Scholarship/Loan Detail

List all organizations to which you have applied or intend to apply for scholarships, grants, and loans for this academic year and indicate the disposition of each application

<u>Name of Organization</u>	<u>Amount</u>	<u>Awarded</u>	<u>Denied</u>	<u>Pending</u>
-----------------------------	---------------	----------------	---------------	----------------

Briefly explain the conditions that make it necessary for you to borrow funds to attend college: _____

Essay Attach a one-page essay outlining accomplishments and extra curricular activities

Loan Conditions

I have received a copy of the foundation guidelines for my records and after reading these guidelines, I agree to abide by the policies set out in the guidelines

I understand that loan approval is not automatic and will be based on academic requirements, financial data and available funding. Loan approval is made for one year at a time and any subsequent application and note renewal or extension may be subject to any loan policy change or modification as instituted by the Foundation. Students must apply and qualify each year based on overall grade point earned through the fall semester. This includes freshman applicants who may only have one semester as their overall grade point average.

Minimum payment of \$25.00 per month is required with documentation of full-time enrollment. Current policy outlines a six-month grace period after graduation or discontinuance of full-time enrollment with payment increasing to a sixty-month payment plan or minimum of \$50.00 per month, whichever is greater. Students are required to notify our office if they are no longer enrolled full-time.

Loans are reported to the credit bureau for borrower and co-signers. Co-signers will receive past due notices if the borrower fails to maintain the account in a current status. Borrowers are required to keep our records updated with current addresses and information for borrower and co-signers.

I certify that I am not an officer, director or employee of Frost National Bank or member of their immediate families and that all information given for the purpose of obtaining this loan is true, complete, valid, genuine, and correct to the best of my knowledge. I understand that you will retain this application, whether or not it is approved. You are authorized to check my credit history and to answer questions about your credit experience with me.

(Date)

(Signature of Applicant)