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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

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 change

Use the IRS label. **MILDRED DULANEY FOUNDATION**
 Otherwise, print or type. **C/O WELLS FARGO BANK, N. A.**
 See Specific Instructions. **P. O. BOX 41629**
AUSTIN, TX 78704-9926 *ack 10767600*

A Employer identification number
76-0615843

B Telephone number
(512) 424-0126

C If exemption application is pending, check here ☐
D 1. Foreign organizations, check here ☐
 2. Foreign organizations meeting the 85% test, check here and attach computation ☐

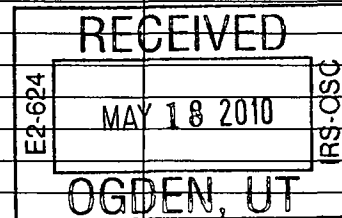
E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

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

I Fair market value of all assets at end of year (from Part II, col (c), line 16)
 \$ **2,873,983.** *(Part I, column (d) must be on cash basis)*

J Accounting method: ☒ Cash ☐ Accrual
☐ Other (specify) _____

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)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check ☒ if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		81,012.	81,012.		STATEMENT 1
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		18,658.			
b Gross sales price for all assets on line 6a		478,324.			
7 Capital gain net income (from Part IV, line 2)			18,658.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income					
12 Total Add lines 1 through 11		99,670.	99,670.		
13 Compensation of officers, directors, trustees, etc		27,880.	13,940.		13,940.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees		1,155.	578.		0.
c Other professional fees					
17 Interest					
18 Taxes		1,246.	1,246.		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 13 through 23		30,281.	15,764.		13,940.
25 Contributions, gifts, grants paid		111,839.			111,839.
26 Total expenses and disbursements Add lines 24 and 25		142,120.	15,764.		125,779.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		<42,450.>			
b Net investment income (if negative, enter -0-)			83,906.		
c Adjusted net income (if negative, enter -0-)				N/A	

 ENVELOPE POSTMARK DATE MAY 14 2010
 SCANNED MAY 20 2010


MILDRED DULANEY FOUNDATION
C/O WELLS FARGO BANK, N. A.

76-0615843

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		
		Beginning of year (a) Book Value	End of year (b) Book Value (c) Fair Market Value	
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	<4,885.>	55,164.	55,164.
	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			
	7 Other notes and loans receivable ▶			
	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			
	b Investments - corporate stock STMT 5	1,823,534.	1,674,386.	1,878,889.
	c Investments - corporate bonds			
Liabilities	11 Investments - land, buildings, and equipment basis ▶			
	Less: accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 6	906,331.	952,331.	939,930.
	14 Land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers)	2,724,980.	2,681,881.	2,873,983.
	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.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☒ and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted	2,724,980.	2,681,881.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☐ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
30 Total net assets or fund balances	2,724,980.	2,681,881.		
31 Total liabilities and net assets/fund balances	2,724,980.	2,681,881.		

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	2,724,980.
2 Enter amount from Part I, line 27a	2	<42,450.>
3 Other increases not included in line 2 (itemize) ▶ FED TAX REFUND	3	583.
4 Add lines 1, 2, and 3	4	2,683,113.
5 Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 4	5	1,232.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	2,681,881.

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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 GAIN/LOSS ON SECURITIES-SEE SCHEDULE	P		
b CAPITAL GAIN/LOSS ON SECURITIES-SEE SCHEDULE	P		
c CAPITAL GAINS DIVIDENDS			
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 6,129.		5,541.	588.
b 470,711.		454,125.	16,586.
c 1,484.			1,484.
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			588.
b			16,586.
c			1,484.
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	18,658.
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). If (loss), enter -0- in Part I, line 8	{ }	3	N/A

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	208,843.	3,164,457.	.065996
2007	173,192.	3,688,059.	.046960
2006	50,000.	3,455,216.	.014471
2005	74,335.	3,247,289.	.022891
2004	61,374.	3,078,988.	.019933

2 Total of line 1, column (d)	2	.170251
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	.034050
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	2,530,278.
5 Multiply line 4 by line 3	5	86,156.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	839.
7 Add lines 5 and 6	7	86,995.
8 Enter qualifying distributions from Part XII, line 4	8	125,779.

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.

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

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		1	839.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b		2	0.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)		3	839.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
3 Add lines 1 and 2		5	839.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-			
6 Credits/Payments:			
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a	800.	
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	800.	
8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8		
9 Tax due If the total of lines 5 and 8 is more than line 7, enter amount owed	9	39.	
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	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. \$ 0. (2) On foundation managers. \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. \$ 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) 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

N/A

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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 ► <u>N/A</u>	13	X	
14	The books are in care of ► <u>WELLS FARGO BANK, N. A.</u> Telephone no. ► <u>(254) 714-6167</u> Located at ► <u>P. O. BOX 2626, WACO, TX</u> ZIP+4 ► <u>76702-2626</u>			
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		N/A

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? ☐ Yes ☒ No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No		
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ☐ 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? ☐ Yes ☒ No	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? ☐ Yes ☒ 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.) ☐ Yes ☒ No	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? ☐ Yes ☒ No		
b If "Yes," did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009) ☐ Yes ☒ No	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))?

☐ 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

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?

If "Yes" to 6b, file Form 8870.

☐ Yes ☒ No

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

N/A

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

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
SEE STATEMENT 7		27,880.	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	2,484,494.
b	Average of monthly cash balances	1b	84,316.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	2,568,810.
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	2,568,810.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	38,532.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,530,278.
6	Minimum investment return. Enter 5% of line 5	6	126,514.

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	126,514.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	839.
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	839.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	125,675.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	125,675.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	125,675.

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	125,779.
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	125,779.
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	839.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	124,940.

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				125,675.
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				46,689.
f Total of lines 3a through e	46,689.			
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ \$				125,779.
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				125,675.
e Remaining amount distributed out of corpus	104.			
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	46,793.			
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	46,793.			
10 Analysis of line 9:				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				46,689.
e Excess from 2009				104.

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

N/A

- 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.

- 3 Subtract line 2d from line 2c.
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

[illegible]

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:

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

- c Any submission deadlines:

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

Part XV **Supplementary Information** (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year SEE STATEMENT 8				
Total			▶ 3a	111,839.
b Approved for future payment NONE				
Total			▶ 3b	0.

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

		Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
a	Transfers from the reporting foundation to a noncharitable exempt organization of:		
	(1) Cash	1a(1)	X
	(2) Other assets	1a(2)	X
b	Other transactions:		
	(1) Sales of assets to a noncharitable exempt organization	1b(1)	X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)	X
	(3) Rental of facilities, equipment, or other assets	1b(3)	X
	(4) Reimbursement arrangements	1b(4)	X
	(5) Loans or loan guarantees	1b(5)	X
	(6) Performance of services or membership or fundraising solicitations	1b(6)	X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	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 <i>Quinn A. Stenbeck VP</i>		Date <i>5-3-10</i>	Title <i>VICIE A STENBECK VICE PRESIDENT</i>	
	Preparer's signature <i>Nancy A. Toups</i> NANCY A. TOUPS		Date 04/26/10	Check if self-employed ☐	Preparer's identifying number
Paid Preparer's Use Only	Firm's name (or yours if self-employed) JAYNES, REITMEIER, BOYD & THERRELL, P.C.			EIN	
	address, and ZIP code 5400 BOSQUE BLVD STE 500 WACO, TX 76710-4459			Phone no. (254) 776-4190	

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	1
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
WELLS FARGO	82,496.	1,484.	81,012.
TOTAL TO FM 990-PF, PART I, LN 4	82,496.	1,484.	81,012.

FORM 990-PF	ACCOUNTING FEES	STATEMENT	2
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	1,155.	578.		0.
TO FORM 990-PF, PG 1, LN 16B	1,155.	578.		0.

FORM 990-PF	TAXES	STATEMENT	3
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES ON DIVIDENDS	1,246.	1,246.		0.
TO FORM 990-PF, PG 1, LN 18	1,246.	1,246.		0.

FORM 990-PF	OTHER DECREASES IN NET ASSETS OR FUND BALANCES	STATEMENT	4
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DESCRIPTION	AMOUNT
ADJUSTMENTS TO CARRYING VALUE/MUTUAL FUND ADJUSTMENTS	1,232.
TOTAL TO FORM 990-PF, PART III, LINE 5	1,232.

FORM 990-PF	CORPORATE STOCK	STATEMENT	5
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
EQUITIES	1,674,386.	1,878,889.
TOTAL TO FORM 990-PF, PART II, LINE 10B	1,674,386.	1,878,889.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	6
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
ACCRUED INTEREST	COST	3,264.	3,264.
ALTERNATIVE INVESTMENTS	COST	185,900.	179,552.
MUTUAL FUNDS-BONDS	COST	673,495.	689,017.
REAL ESTATE	COST	89,672.	68,097.
TOTAL TO FORM 990-PF, PART II, LINE 13		952,331.	939,930.

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 7

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
OLIVER MCMAHAN 1212 HERITAGE WAY DRIVE WACO, TX 76712	CHAIRMAN & DIRECTOR 2.00	0.	0.	0.
CHARLES H. DULANEY 594 STEVENS LANE MCGREGOR, TX 76657	VICE CHAIRMAN & DIRECTOR 1.00	0.	0.	0.
LESTER GIBSON MCLENNAN COUNTY COURTHOUSE WACO, TX 76701	DIRECTOR 1.00	0.	0.	0.
SUE DAVIS 1500 NAVARRO AVE. MART, TX 76664	RECORDING SECRETARY & DIRE 1.00	0.	0.	0.
FRANK PETE ROWE ROUTE 2, BOX 19 MART, TX 76664	DIRECTOR 1.00	0.	0.	0.
JIM KEMP 1313 MCLENNAN MART, TX 76664	DIRECTOR 1.00	0.	0.	0.
JIM READ 515 EAST TEXAS AVE. MART, TX 76664	DIRECTOR 1.00	0.	0.	0.
CALVIN JONES P.O. BOX 360 MART, TX 76664	DIRECTOR 1.00	0.	0.	0.
WELLS FARGO BANK (TEXAS), N.A. P.O. BOX 2626 WACO, TX 76702	TRUSTEE 1.00	27,880.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		27,880.	0.	0.

FORM 990-PF

GRANTS AND CONTRIBUTIONS
PAID DURING THE YEAR

STATEMENT 8

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
CENTRAL TEXAS SENIOR MINISTRY P. O. BOX 85 WACO, TX 767030085	NONE MART SENIOR CENTER MEALS ON WHEELS	501(C)(3) PUBLIC CHARITY	7,000.
CITY OF MART P.O. BOX 360 MART, TX 76664	NONE BACKHOE, ANIMAL CONTROL, UTILITY MAINTENANCE & EQT	501(C)(3) PUBLIC CHARITY	11,893.
MART COMMUNITY CENTER 806 EAST BOWIE MART, TX 76664	NONE REPAIRS AND OPERATING EXPENSES	501(C)(3) PUBLIC CHARITY	11,893.
MART EMS 409 E TEXAS AVE MART, TX 76664	NONE TOWARD NEW AMBULANCE	501(C)(3) PUBLIC CHARITY	12,200.
MART ISD P.O. BOX 120 MART, TX 76664	NONE PARTIAL PAYMENT FOR LANDSCAPING & PLAY EQUIPMENT	501(C)(3) PUBLIC CHARITY	34,853.
MART VOLUNTEER FIRE DEPARTMENT 112 N. COMMERCE, BOX 298 MART, TX 76664	NONE NOTE PAYMENT ON FIRE TRUCK	501(C)(3) PUBLIC CHARITY	10,000.
NANCY NAIL MEMORIAL LIBRARY 124 SOUTH PEARL STREET MART, TX 76664	NONE OPERATING EXPENSES	501(C)(3) PUBLIC CHARITY	24,000.

TOTAL TO FORM 990-PF, PART XV, LINE 3A

111,839.

Statement of Capital Gains and Losses From Sales
(Does not include capital gain distributions from mutual funds or CTF's - See Tax Transaction Detail)

Account Id: 10767600

DULANEY, MILDRED FOUNDATION
Trust Year Ending 12/31/2009

Type	Description	Date	Shares	Price	Fed Cost	State Cost	Fed Gain	State Gain	(Type)
00206R102	AT&T INC								
Sold		11/16/09	190	4,987.37					
Acq		05/14/01	190	4,987.37	8,006.60	8,006.60	-3,019.23	-3,019.23	L
Total for 11/16/2009					8,006.60	8,006.60	-3,019.23	-3,019.23	
053015103	AUTOMATIC DATA PROCESSING INC COMMON								
Sold		10/06/09	425	16,489.57					
Acq		02/07/02	425	16,489.57	20,665.47	20,665.47	-4,175.90	-4,175.90	L
Total for 10/6/2009					20,665.47	20,665.47	-4,175.90	-4,175.90	
06738E204	BARCLAYS PLC ADR								
Sold		01/21/09	705	2,616.02					
Acq		03/07/07	705	2,616.02	39,529.35	39,529.35	-36,913.33	-36,913.33	L
Total for 1/21/2009					39,529.35	39,529.35	-36,913.33	-36,913.33	
12189T104	BURLINGTON NORTHERN SANTA FE CORP								
Sold		07/02/09	275	19,722.99					
Acq		05/19/04	275	19,722.99	8,954.00	8,954.00	10,768.99	10,768.99	L
Total for 7/2/2009					8,954.00	8,954.00	10,768.99	10,768.99	
12189T104	BURLINGTON NORTHERN SANTA FE CORP								
Sold		11/16/09	965	94,586.86					
Acq		05/19/04	195	19,113.41	6,349.20	6,349.20	12,764.21	12,764.21	L
Acq		01/03/03	770	75,473.45	20,651.40	20,651.40	54,822.05	54,822.05	L
Total for 11/16/2009					27,000.60	27,000.60	67,586.26	67,586.26	
126650100	CVS CORP								
Sold		07/02/09	125	3,917.62					
Acq		05/25/07	125	3,917.62	4,897.50	4,897.50	-979.88	-979.88	L
Total for 7/2/2009					4,897.50	4,897.50	-979.88	-979.88	
191216100	COCA-COLA CO USD								
Sold		07/02/09	80	3,940.69					
Acq		01/12/09	80	3,940.69	3,509.60	3,509.60	431.09	431.09	S
Total for 7/2/2009					3,509.60	3,509.60	431.09	431.09	
21036P108	CONSTELLATION BRANDS INC								
Sold		01/12/09	1968	30,822.65					
Acq		06/21/02	328	5,137.11	4,460.70	4,460.70	676.41	676.41	L
Acq		01/03/03	1640	25,685.54	18,958.40	18,958.40	6,727.14	6,727.14	L
Total for 1/12/2009					23,419.10	23,419.10	7,403.55	7,403.55	
30161N101	EXELON CORP								
Sold		11/16/09	21	994.74					
Acq		01/03/03	21	994.74	566.79	566.79	427.95	427.95	L
Total for 11/16/2009					566.79	566.79	427.95	427.95	

Statement of Capital Gains and Losses From Sales
 (Does not include capital gain distributions from mutual
 funds or CTF's - See Tax Transaction Detail)

Account Id: 10767600

DULANEY, MILDRED FOUNDATION

Trust Year Ending 12/31/2009

Type	Description	Date	Shares	Price	Fed Cost	State Cost	Fed Gain	State Gain	(Type)
30161N101	EXELON CORP								
Sold		12/08/09	504	25,275.50					
Acq		01/03/03	504	25,275.50	13,602.96	13,602.96	11,672.54	11,672.54	L
Total for 12/8/2009					13,602.96	13,602.96	11,672.54	11,672.54	
369604103	GENERAL ELECTRIC CO								
Sold		07/02/09	175	2,017.69					
Acq		05/19/04	175	2,017.69	5,395.25	5,395.25	-3,377.56	-3,377.56	L
Total for 7/2/2009					5,395.25	5,395.25	-3,377.56	-3,377.56	
372917104	GENZYME CORP GENERAL DIVISION COM STK								
Sold		10/22/09	260	13,831.64					
Acq		03/18/08	260	13,831.64	18,204.39	18,204.39	-4,372.75	-4,372.75	L
Total for 10/22/2009					18,204.39	18,204.39	-4,372.75	-4,372.75	
412822108	HARLEY DAVIDSON INC								
Sold		11/16/09	445	12,513.74					
Acq		01/03/03	445	12,513.74	21,524.65	21,524.65	-9,010.91	-9,010.91	L
Total for 11/16/2009					21,524.65	21,524.65	-9,010.91	-9,010.91	
580645109	MC GRAW-HILL COMPANIES INC								
Sold		04/21/09	170	4,799.58					
Acq		02/07/02	170	4,799.58	5,473.15	5,473.15	-673.57	-673.57	L
Total for 4/21/2009					5,473.15	5,473.15	-673.57	-673.57	
59156R108	METLIFE INC								
Sold		11/16/09	182	6,424.43					
Acq		06/08/09	62	2,188.54	2,031.12	2,031.12	157.42	157.42	S
Acq		03/12/08	120	4,235.89	7,012.80	7,012.80	-2,776.91	-2,776.91	L
Total for 11/16/2009					9,043.92	9,043.92	-2,619.49	-2,619.49	
615369105	MOODY'S CORP								
Sold		11/05/09	200	4,731.87					
Acq		03/12/08	200	4,731.87	6,974.00	6,974.00	-2,242.13	-2,242.13	L
Total for 11/5/2009					6,974.00	6,974.00	-2,242.13	-2,242.13	
654902204	NOKIA CORP ADR-A SHS								
Sold		07/02/09	2305	33,352.49					
Acq		02/07/02	515	7,451.86	11,371.20	11,371.20	-3,919.34	-3,919.34	L
Acq		01/03/03	630	9,115.86	10,615.50	10,615.50	-1,499.64	-1,499.64	L
Acq		05/14/01	1160	16,784.77	35,678.70	35,678.70	-18,893.93	-18,893.93	L
Total for 7/2/2009					57,665.40	57,665.40	-24,312.91	-24,312.91	
713448108	PEPSICO INC								
Sold		07/02/09	70	3,970.29					
Acq		02/28/02	70	3,970.29	3,560.20	3,560.20	410.09	410.09	L
Total for 7/2/2009					3,560.20	3,560.20	410.09	410.09	

Wells Fargo

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3/8/2010 09:23:32Statement of Capital Gains and Losses From Sales
(Does not include capital gain distributions from mutual funds or CTF's - See Tax Transaction Detail)

Account Id: 10767600

DULANEY, MILDRED FOUNDATION
Trust Year Ending 12/31/2009

Type	Description	Date	Shares	Price	Fed Cost	State Cost	Fed Gain	State Gain	(Type)
81369Y209	SECTOR SPDR TR SHS BEN								
Sold		11/16/09	265	7,989.54					
Acq		01/03/03	265	7,989.54	7,308.70	7,308.70	680.84	680.84	L
Total for 11/16/2009					7,308.70	7,308.70	680.84	680.84	
81369Y308	SECTOR SPDR TR SHS BEN								
Sold		07/02/09	200	4,621.88					
Acq		01/03/03	200	4,621.88	4,070.00	4,070.00	551.88	551.88	L
Total for 7/2/2009					4,070.00	4,070.00	551.88	551.88	
81369Y886	SECTOR SPDR TR SHS BEN								
Sold		11/16/09	236	7,011.98					
Acq		01/03/03	236	7,011.98	4,682.24	4,682.24	2,329.74	2,329.74	L
Total for 11/16/2009					4,682.24	4,682.24	2,329.74	2,329.74	
913017109	UNITED TECHNOLOGIES CORP								
Sold		07/02/09	100	5,078.04					
Acq		05/19/04	100	5,078.04	4,118.00	4,118.00	960.04	960.04	L
Total for 7/2/2009					4,118.00	4,118.00	960.04	960.04	
922031109	VANGUARD FIXED INCM L/T CORP FD #28								
Sold		07/02/09	2369.67	20,000.00					
Acq		08/03/06	2369.67	20,000.00	21,161.13	21,161.13	-1,161.13	-1,161.13	L
Total for 7/2/2009					21,161.13	21,161.13	-1,161.13	-1,161.13	
92343V104	VERIZON COMMUNICATIONS INC								
Sold		11/16/09	165	4,991.12					
Acq		05/14/01	40	1,209.97	2,054.06	2,054.06	-844.09	-844.09	L
Acq		02/07/02	125	3,781.15	5,194.85	5,194.85	-1,413.70	-1,413.70	L
Total for 11/16/2009					7,248.91	7,248.91	-2,257.79	-2,257.79	
94975J540	WF ADV SHT DUR GOVT BD-ADMIN #935								
Sold		07/02/09	1934.24	20,000.00					
Acq		06/12/01	1934.24	20,000.00	19,216.56	19,216.56	783.44	783.44	L
Total for 7/2/2009					19,216.56	19,216.56	783.44	783.44	
94975J599	WF ADV TOTAL RETURN BD-ADMIN #943								
Sold		01/05/09	3012.55	36,000.00					
Acq		08/03/06	3012.55	36,000.00	35,879.49	35,879.49	120.51	120.51	L
Total for 1/5/2009					35,879.49	35,879.49	120.51	120.51	
94975J599	WF ADV TOTAL RETURN BD-ADMIN #943								
Sold		07/02/09	3223.21	40,000.00					
Acq		08/03/06	3223.21	40,000.00	38,388.40	38,388.40	1,611.60	1,611.60	L
Total for 7/2/2009					38,388.40	38,388.40	1,611.60	1,611.60	

Wells Fargo

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Statement of Capital Gains and Losses From Sales

3/8/2010 09:23:32

(Does not include capital gain distributions from mutual funds or CTF's - See Tax Transaction Detail)

Account Id: 10767600

DULANEY, MILDRED FOUNDATION

Trust Year Ending 12/31/2009

Type	Description	Date	Shares	Price	Fed Cost	State Cost	Fed Gain	State Gain (Type)
949917512	WELLS FARGO ADV HI INC FD #3014							
Sold		07/02/09	1562.5	10,000.00				
Acq		08/03/06	1562.5	10,000.00	11,859.37	11,859.37	-1,859.37	-1,859.37 L
			Total for 7/2/2009		11,859.37	11,859.37	-1,859.37	-1,859.37
G3223R108	EVEREST RE GRP LTD							
Sold		06/08/09	495	36,151.59				
Acq		01/03/03	495	36,151.59	27,739.80	27,739.80	8,411.79	8,411.79 L
			Total for 6/8/2009		27,739.80	27,739.80	8,411.79	8,411.79
			Total for Account: 10767600		459,665.53	459,665.53	17,174.36	17,174.36
			Total Proceeds:			Fed	State	
			476,839.89		S/T Gain/Loss	588.51	588.51	
					L/T Gain/Loss	16,585.85	16,585.85	