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Return of Organization Exempt From Income Tax

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

2009

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

For the 2009 calendar year, or tax year beginning 6/01, 2009, and ending 5/31, 2010

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending		C Please use IRS label or print or type. See specific instructions. Texas Bar Foundation 504 Lavaca Street #1005 Austin, TX 78701	D Employer Identification Number 74-6074796
F Name and address of principal officer Andrea Stone Same As C Above		E Telephone number (512) 480-8000	
I Tax-exempt status <input checked="" type="checkbox"/> 501(c) (3) (insert no) 4947(a)(1) or 527		G Gross receipts \$ 4,770,891.	
J Website: www.txbf.org		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If 'No,' attach a list (see instructions)	
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other		L Year of Formation 1965 M State of legal domicile TX	

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <u>The Foundation solicits charitable contributions and provides funding to enhance the rule of law and the system of justice in Texas.</u>			
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets			
	3	Number of voting members of the governing body (Part VI, line 1a)		
	4	Number of independent voting members of the governing body (Part VI, line 1b)		
	5	Total number of employees (Part V, line 2a)		
	6	Total number of volunteers (estimate if necessary)		
	Revenue	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	
7b		Net unrelated business taxable income from Form 990-T, line 34		
8		Prior Year	Current Year	
9		1,075,993.	1,010,121.	
10		-454,691.	669,723.	
11		68,417.	79,070.	
12		689,719.	1,758,914.	
13		757,410.	662,899.	
Expenses		14	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	
		15	Benefits paid to or for members (Part IX, column (A), line 4)	
	16a	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		
	b	Total fundraising expenses (Part IX, column (D), line 25) 130,716.		
	17	749,477.	677,561.	
	18	1,506,887.	1,340,460.	
Net Assets or Fund Balances	19	Revenue less expenses Subtract line 18 from line 12		
	20	Total assets (Part X, line 16)		
	21	Total liabilities (Part X, line 26)		
	22	Net assets or fund balances Subtract line 21 from line 20		

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
Sign Here	Signature of officer	Date 1/13/11	
	Secretary/Treasurer		
Paid Preparer's Use Only	Preparer's signature	Date 1/12/11	Check if self-employed <input checked="" type="checkbox"/>
	Firm's name (or yours if self-employed), address, and ZIP + 4	Preparer's identifying number (see instructions) N/A	
	EIN N/A		Phone no (512) 420-8997
	May the IRS discuss this return with the preparer shown above? (see instructions) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

Form 990 (2009)

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If 'Yes,' complete Schedule A	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If 'Yes,' complete Schedule C, Part I		X
4 Section 501(c)(3) organizations Did the organization engage in lobbying activities? If 'Yes,' complete Schedule C, Part II		X
5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If 'Yes,' complete Schedule C, Part III		
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If 'Yes,' complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If 'Yes,' complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If 'Yes,' complete Schedule D, Part IV		X
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If 'Yes,' complete Schedule D, Part V	X	
11 Is the organization's answer to any of the following questions 'Yes'? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	X	
• Did the organization report an amount for land, buildings and equipment in Part X, line 10? If 'Yes,' complete Schedule D, Part VI		
• Did the organization report an amount for investments— other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VII		
• Did the organization report an amount for investments— program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VIII		
• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part IX		
• Did the organization report an amount for other liabilities in Part X, line 25? If 'Yes,' complete Schedule D, Part X		
• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If 'Yes,' complete Schedule D, Part X		
12 Did the organization obtain separate, independent audited financial statement for the tax year? If 'Yes,' complete Schedule D, Parts XI, XII, and XIII	X	
12A Was the organization included in consolidated, independent audited financial statement for the tax year? If 'Yes,' completing Schedule D, Parts XI, XII, and XIII is optional	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If 'Yes,' complete Schedule F, Part I		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If 'Yes,' complete Schedule F, Part II		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If 'Yes,' complete Schedule F, Part III		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If 'Yes,' complete Schedule G, Part I		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If 'Yes,' complete Schedule G, Part II		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If 'Yes,' complete Schedule G, Part III		X
20 Did the organization operate one or more hospitals? If 'Yes,' complete Schedule H		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If 'Yes,' complete Schedule I, Parts I and II	X	
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If 'Yes,' complete Schedule I, Parts I and III		X
23 Did the organization answer 'Yes' to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If 'Yes,' complete Schedule J		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, and that was issued after December 31, 2002? If 'Yes,' answer lines 24b through 24d and complete Schedule K. If 'No,' go to line 25		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If 'Yes,' complete Schedule L, Part I		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If 'Yes,' complete Schedule L, Part I		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If 'Yes,' complete Schedule L, Part II		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If 'Yes,' complete Schedule L, Part III		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? If 'Yes,' complete Schedule L, Part IV		X
b A family member of a current or former officer, director, trustee, or key employee? If 'Yes,' complete Schedule L, Part IV		X
c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? If 'Yes,' complete Schedule L, Part IV		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If 'Yes,' complete Schedule M		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If 'Yes,' complete Schedule M		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If 'Yes,' complete Schedule N, Part I		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If 'Yes,' complete Schedule N, Part II		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Schedule R, Part I		X
34 Was the organization related to any tax-exempt or taxable entity? If 'Yes,' complete Schedule R, Parts II, III, IV, and V, line 1	X	
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Schedule R, Part V, line 2		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If 'Yes,' complete Schedule R, Part V, line 2	X	
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If 'Yes,' complete Schedule R, Part VI		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	X	

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Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable.		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.		
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions).		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
3b	If 'Yes' has it filed a Form 990-T for this year? If 'No,' provide an explanation in Schedule O.		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
4b	If 'Yes,' enter the name of the foreign country: _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5c	If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		X
6b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
7b	If 'Yes,' did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
7d	If 'Yes,' indicate the number of Forms 8282 filed during the year.		
7e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
7g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
7h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make any distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter		
10a	Initiation fees and capital contributions included on Part VIII, line 12.		
10b	Gross Receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
11	Section 501(c)(12) organizations. Enter		
11a	Gross income from other members or shareholders.		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year.		

Part VI **Governance, Management and Disclosure** For each 'Yes' response to lines 2 through 7b below, and for a 'No' response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

	Yes	No
1a Enter the number of voting members of the governing body		
1b Enter the number of voting members that are independent		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee or key employee?		X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
5 Did the organization become aware during the year of a material diversion of the organization's assets?		X
6 Does the organization have members or stockholders?		X
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? See Schedule O	X	
7b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	X	
b Each committee with authority to act on behalf of the governing body?	X	
9 Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If 'Yes,' provide the names and addresses in Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code)

	Yes	No
10a Does the organization have local chapters, branches, or affiliates?		X
b If 'Yes,' does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	X	
11A Describe in Schedule O the process, if any, used by the organization to review this Form 990 See Schedule O		
12a Does the organization have a written conflict of interest policy? If 'No,' go to line 13	X	
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this is done See Schedule O	X	
13 Does the organization have a written whistleblower policy?	X	
14 Does the organization have a written document retention and destruction policy?	X	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	X	
b Other officers of key employees of the organization See Schedule O	X	
If 'Yes' to line 15a or 15b, describe the process in Schedule O. (See instructions)		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b If 'Yes,' has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosures

17 List the states with which a copy of this Form 990 is required to be filed None

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
☐ Own website ☒ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how) the organization makes its governing documents, conflict of interest policy, and financial statements available to the public See Schedule O

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization
Andrea Stone 504 Lavaca Street, Suite 1005 Austin TX 78701 (512) 480-8000

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees. See instructions for definition of 'key employees.'
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if the organization did not compensate any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Scott Rozzell Chairman	4	X		X				0.	0.	0.
Edward Fernandes Chair Elect	4	X		X				0.	0.	0.
D. Gibson Walton Sec/Treasurer	4	X		X				0.	0.	0.
Neal Adams Fellows Secreta	4	X						0.	0.	0.
James Alsup Trustee	3	X						0.	0.	0.
W. Mike Baggett Fellows Past Ch	3	X						0.	0.	0.
Robert Black Trustee	3	X						0.	0.	0.
JoAl Cannon-Sheridan Trustee	3	X						0.	0.	0.
Jennie Malouf Gilchrist Public Member	3	X						0.	0.	0.
Warren Harris Fellows Vice Ch	4	X						0.	0.	0.
Lucy Harrison Public Member	3	X						0.	0.	0.
Linda Hunsaker Public Member	3	X						0.	0.	0.
David McAtee Fellows Chair	4	X						0.	0.	0.
Mark Osborn Trustee	3	X						0.	0.	0.
Jennifer Rymell Trustee	3	X						0.	0.	0.
Mark Shank Past Chair	3	X						0.	0.	0.
Randall Sorrels Trustee	3	X						0.	0.	0.

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
CONTRIBUTIONS, GIFTS, GRANTS AND OTHER SIMILAR AMOUNTS	1 a Federated campaigns	1 a				
	b Membership dues	1 b				
	c Fundraising events	1 c				
	d Related organizations	1 d 100,000.				
	e Government grants (contributions)	1 e				
	f All other contributions, gifts, grants, and similar amounts not included above	1 f 910,121.				
	g Noncash contribns included in lns 1a-1f.	\$				
	h Total. Add lines 1a-1f		1,010,121.			
PROGRAM SERVICE REVENUE	Business Code					
	2 a _____					
	b _____					
	c _____					
	d _____					
	e _____					
	f All other program service revenue					
	g Total. Add lines 2a-2f					
OTHER REVENUE	3 Investment income (including dividends, interest and other similar amounts)		393,062.			393,062.
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6 a Gross Rents	(i) Real (ii) Personal				
	b Less rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss)					
	7 a Gross amount from sales of assets other than inventory	(i) Securities (ii) Other	3,288,638.			
	b Less cost or other basis and sales expenses		3,011,977.			
	c Gain or (loss)		276,661.			
	d Net gain or (loss)		276,661.			276,661.
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b Less direct expenses	b				
	c Net income or (loss) from fundraising events					
	9 a Gross income from gaming activities. See Part IV, line 19	a				
	b Less direct expenses	b				
	c Net income or (loss) from gaming activities					
	10 a Gross sales of inventory, less returns and allowances	a				
	b Less cost of goods sold	b				
	c Net income or (loss) from sales of inventory					
Miscellaneous Revenue		Business Code				
11 a Annual dinner		72,750.			72,750.	
b Other revenues		6,320.			6,320.	
c _____						
d All other revenue						
e Total. Add lines 11a-11d		79,070.				
12 Total revenue. See instructions		1,758,914.	0.	0.	748,793.	

Part IX: Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	662,899.	662,899.		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	0.	0.	0.	0.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.	0.	0.	0.
7 Other salaries and wages				
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees)				
a Management				
b Legal				
c Accounting	15,195.		15,195.	
d Lobbying				
e Prof fundraising svcs. See Part IV, ln 17				
f Investment management fees				
g Other				
12 Advertising and promotion				
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy	31,714.		31,714.	
17 Travel	17,593.	5,755.	820.	11,018.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	51,781.	4,196.	18,383.	29,202.
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance				
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a SBOT reimbursement for staff	239,484.	143,691.	43,107.	52,686.
b Investment management fees	85,207.		85,207.	
c Annual dinner	67,376.	20,213.	47,163.	
d Printing and Publications	63,892.	995.	42,344.	20,553.
e Software, equip rental, maint	28,073.	3,903.	24,170.	
f All other expenses	77,246.	4,023.	55,966.	17,257.
25 Total functional expenses. Add lines 1 through 24f	1,340,460.	845,675.	364,069.	130,716.
26 Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

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Part X Balance Sheet

		(A) Beginning of year		(B) End of year
ASSETS	1 Cash — non-interest-bearing	97,223.	1	64,833.
	2 Savings and temporary cash investments	1,309,734.	2	1,370,117.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net		4	
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	15,643.	9	16,428.
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 23,797.		
	b Less accumulated depreciation.	10b 21,417.	10c 2,380.	2,380.
	11 Investments — publicly-traded securities	13,850,149.	11	15,911,476.
	12 Investments — other securities See Part IV, line 11		12	
	13 Investments — program-related See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets See Part IV, line 11	359,080.	15	329,931.
16 Total assets Add lines 1 through 15 (must equal line 34)	15,634,209.	16	17,695,165.	
LIABILITIES	17 Accounts payable and accrued expenses	13,499.	17	23,201.
	18 Grants payable		18	
	19 Deferred revenue	26,750.	19	45,010.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities Complete Part X of Schedule D	75,819.	25	19,379.
	26 Total liabilities. Add lines 17 through 25	116,068.	26	87,590.
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29 and lines 33 and 34.			
	27 Unrestricted net assets	2,412,480.	27	4,374,788.
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets	13,105,661.	29	13,232,787.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, and equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	15,518,141.	33	17,607,575.
34 Total liabilities and net assets/fund balances	15,634,209.	34	17,695,165.	

BAA

Form 990 (2009)

Part XI Financial Statements and Reporting

1 Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other

If the organization changed its method of accounting from a prior year or checked 'Other,' explain in Schedule O

2a Were the organization's financial statements compiled or reviewed by an independent accountant?

b Were the organization's financial statements audited by an independent accountant?

c If 'Yes' to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?

If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O

d If 'Yes' to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both

☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis

3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?

b If 'Yes,' did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

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Form 990 (2009)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization

Texas Bar Foundation

Employer identification number

74-6074796

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box.)

- 1 ☐ A church, convention of churches or association of churches described in **section 170(b)(1)(A)(i).**
- 2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)
- 3 ☐ A hospital or cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 ☐ An organization that normally receives (1) more than 33-1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions – subject to certain exceptions, and (2) no more than 33-1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a ☐ Type I
 - b ☐ Type II
 - c ☐ Type III – Functionally integrated
 - d ☐ Type III – Other
- e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f ☐ If the organization received a written determination from the IRS that is a Type I, Type II or Type III supporting organization, check this box.
- g ☐ Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

- (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
- (ii) a family member of a person described in (i) above?
- (iii) a 35% controlled entity of a person described in (i) or (ii) above?

	Yes	No
11 g (i)		
11 g (ii)		
11 g (iii)		

h Provide the following information about the supported organizations

(i) Name of Supported Organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U.S.?		(vii) Amount of Support
			Yes	No	Yes	No	Yes	No	
Total									

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

Schedule A (Form 990 or 990-EZ) 2009

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions and membership fees received. (Do not include "unusual grants.")	985,135.	1,073,425.	1,350,547.	1,075,993.	1,010,121.	5,495,221.
2 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf						0.
3 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.						0.
4 Total. Add lines 1-through 3	985,135.	1,073,425.	1,350,547.	1,075,993.	1,010,121.	5,495,221.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f).						0.
6 Public support. Subtract line 5 from line 4						5,495,221.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4	985,135.	1,073,425.	1,350,547.	1,075,993.	1,010,121.	5,495,221.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	446,783.	520,037.	495,025.	478,981.	393,062.	2,333,888.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						0.
10 Other income. Do not include gain or loss from the sale of capital assets. (Explain in Part IV.) See Part IV	47,517.	64,104.	57,737.	68,417.	79,070.	316,845.
11 Total support. Add lines 7 through 10						8,145,954.
12 Gross receipts from related activities, etc. (see instructions)					12	0.

13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here. ☐**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	67.5 %
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	68.8 %

16a 33-1/3 support test – 2009. If the organization did not check the box on line 13, and the line 14 is 33-1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization. ☒**b 33-1/3 support test – 2008.** If the organization did not check a box on line 13, or 16a, and line 15 is 33-1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization. ☐**17a 10%-facts-and-circumstances test – 2009.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization. ☐**b 10%-facts-and-circumstances test – 2008.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization. ☐**18 Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions. ☐

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Schedule A (Form 990 or 990-EZ) 2009

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal yr beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions and membership fees received. (Do not include 'unusual grants'.)						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in a activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal yr beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets. (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here. ▶ <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f)).	15	%
16 Public support percentage from 2008 Schedule A, Part III, line 15.	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f)).	17	%
18 Investment income percentage from 2008 Schedule A, Part III, line 17.	18	%
19a 33-1/3 support tests – 2009. If the organization did not check the box on line 14, and line 15 is more than 33-1/3%, and line 17 is not more than 33-1/3%, check this box and stop here. The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/>		
b 33-1/3 support tests – 2008. If the organization did not check a box on line 14 or 19a, and line 16 is more than 33-1/3%, and line 18 is not more than 33-1/3%, check this box and stop here. The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/>		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions. ▶ <input type="checkbox"/>		

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Provide any other additional information. See instructions.

[illegible]

SCHEDULE D
(Form 990)Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**

- Complete if the organization answered 'Yes,' to Form 990,
Part IV, lines 6, 7, 8, 9, 10, 11, or 12.
► Attach to Form 990. ► See separate instructions

OMB No 1545-0047

2009**Open to Public
Inspection**

Name of the organization

Texas Bar Foundation

Employer identification number

74-6074796

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts Complete if
the organization answered 'Yes' to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or for any other purpose conferring impermissible private benefit?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Part II Conservation Easements Complete if the organization answered 'Yes' to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a).	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ► _____

4 Number of states where property subject to conservation easement is located ► _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easement it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ► _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets
Complete if the organization answered 'Yes' to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ► \$ _____

(ii) Assets included in Form 990, Part X ► \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ► \$ _____

b Assets included in Form 990, Part X ► \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a ☐ Public exhibition
 b ☐ Scholarly research
 c ☐ Preservation for future generations
 d ☐ Loan or exchange programs
 e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements Complete if organization answered 'Yes' to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian, or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If 'Yes,' explain the arrangement in Part XIV and complete the following table

- c Beginning balance
 d Additions during the year
 e Distributions during the year
 f Ending balance

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If 'Yes,' explain the arrangement in Part XIV

Part V Endowment Funds Complete if organization answered 'Yes' to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	15,257,106.	17,828,369.			
b Contributions	127,126.	246,125.			
c Net investment earnings, gains, and losses	2,254,201.	-2,335,468.			
d Grants or scholarships	292,007.	481,920.			
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	17,346,426.	15,257,106.			

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment ▶ 25.00 %
 b Permanent endowment ▶ 75.00 %
 c Term endowment ▶ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

- (i) unrelated organizations
 (ii) related organizations

b If 'Yes' to 3a(ii), are the related organizations listed as required on Schedule R?

	Yes	No
3a(i)		X
3a(ii)		X
3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds

See Part XIV

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated Depreciation	(d) Book Value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other		23,797.	21,417.	2,380.
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))				2,380.

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Schedule D (Form 990) 2009

Part VII Investments—Other Securities See Form 990, Part X, line 12. N/A

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other		
Total. (Column (b) must equal Form 990 Part X, col. (B) line 12.)		

Part VIII Investments—Program Related (See Form 990, Part X, line 13) N/A

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.)		

Part IX Other Assets (See Form 990, Part X, line 15) N/A

(a) Description	(b) Book value
Total. (Column (b) must equal Form 990, Part X, col. (B), line 15.)	

Part X Other Liabilities (See Form 990, Part X, line 25)

(a) Description of Liability	(b) Amount
Federal Income Taxes	
Due to State Bar of Texas	19,379.
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	19,379.

2. FIN 48 Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1,758,914.
2	Total expenses (Form 990, Part IX, column (A), line 25)	1,340,460.
3	Excess or (deficit) for the year Subtract line 2 from line 1	418,454.
4	Net unrealized gains (losses) on investments	1,669,686.
5	Donated services and use of facilities	
6	Investment expenses	
7	Prior period adjustments	
8	Other (Describe in Part XIV) See Part XIV	1,294.
9	Total adjustments (net) Add lines 4 through 8	1,670,980.
10	Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9	2,089,434.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	3,344,687.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	1,669,686.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV) See Part XIV	2d	1,294.
e	Add lines 2a through 2d	2e	1,670,980.
3	Subtract line 2e from line 1	3	1,673,707.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investments expenses not included on Form 990, Part VIII, line 7b	4a	85,207.
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	85,207.
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	1,758,914.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	1,255,253.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	1,255,253.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investments expenses not included on Form 990, Part VIII, line 7b	4a	85,207.
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	85,207.
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	1,340,460.

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Part V, Line 4 - Intended Uses Of Endowment Fund

To support Texas Bar Foundation.

Part XIV Supplemental Information *(continued)*

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations,
Governments and Individuals in the United States

Complete if the organization answered 'Yes,' to Form 990, Part IV, lines 21 or 22.
▶ Attach to Form 990.

OMB No. 1545-0047

2009



Name of the organization

Texas Bar Foundation

Part I General Information on Grants and Assistance

Employer identification number

74-6074796

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part III Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered 'Yes' to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed

1 (a) Name and address of organization or government (b) EIN (c) IRC section if applicable (d) Amount of cash grant (e) Amount of non-cash assistance (f) Method of valuation (book, FMV, appraisal, other) (g) Description of non-cash assistance (h) Purpose of grant or assistance

See attached listing.

Various

2 Enter total number of section 501(c)(3) and government organizations

3 Enter total number of other organizations

55
0

BAA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

TEEA3901L 02/10/10

Schedule I (Form 990) 2009

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered 'Yes' to Form 990, Part IV, lines 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009



Name of the organization

Texas Bar Foundation

Employer identification number

74-6074796

Part I Identification of Disregarded Entities (Complete if the organization answered 'Yes' to Form 990, Part IV, line 33.)

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered 'Yes' to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
State Bar of Texas 1414 Colorado Street Austin, TX 78701 74-6000148	Administrative agency of the judicial branch in Texas.	TX	Gov't		N/A

Part V Transactions With Related Organizations (Complete if the organization answered 'Yes' to Form 990, Part IV, line 34, 35, or 36.)**Note** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule**1** During the tax year did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV**a** Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity**b** Gift, grant, or capital contribution to other organization(s)**c** Gift, grant, or capital contribution from other organization(s)**d** Loans or loan guarantees to or for other organization(s)**e** Loans or loan guarantees by other organization(s)**f** Sale of assets to other organization(s)**g** Purchase of assets from other organization(s)**h** Exchange of assets**i** Lease of facilities, equipment, or other assets to other organization(s)**j** Lease of facilities, equipment, or other assets from other organization(s)**k** Performance of services or membership or fundraising solicitations for other organization(s)**l** Performance of services or membership or fundraising solicitations by other organization(s)**m** Sharing of facilities, equipment, mailing lists, or other assets**n** Sharing of paid employees**o** Reimbursement paid to other organization for expenses**p** Reimbursement paid by other organization for expenses**q** Other transfer of cash or property to other organization(s)**r** Other transfer of cash or property from other organization(s)**2** If the answer to any of the above is 'Yes,' see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(A) Name of other organization	(B) Transaction type (a-r)	(C) Amount involved
(1) State Bar of Texas	c	100,000.
(2) State Bar of Texas	l	1,000.
(3) State Bar of Texas	n	239,484.
(4) State Bar of Texas	o	240,484.
(5)		
(6)		

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No 1545-0047

2009

**Open to Public
Inspection**

Name of the organization

Texas Bar Foundation

Employer identification number

74-6074796

Form 990, Part III, Line 1 - Organization Mission

The Foundation solicits charitable contributions and provides funding to enhance the rule of law and the system of justice in Texas, especially for programs that relate to the administration of justice; ethics in the legal profession; legal assistance for the needy; the encouragement of legal research, publications & forums; and the education of the public.

Form 990, Part VI, Line 7a - How Members or Shareholders Elect Governing Body

The Fellows of the Texas Bar Foundation annually elect three officers who are voting members of the Board of Trustees of the Foundation.

Form 990, Part VI, Line 11 - Form 990 Review Process

A draft of Form 990 is distributed to the entire Board electronically. The entire Board has an opportunity to comment on the return before it is finalized and filed.

Form 990, Part VI, Line 12c - Explanation of Monitoring and Enforcement of Conflicts

Conflict of Interest Policy: Members of the Board of Trustees of the Texas Bar Foundation have a fiduciary responsibility to the Texas Bar Foundation.

* Board members acting in their official capacity must exercise their authority exclusively for the benefit of the Texas Bar Foundation and may not engage in activities to their own benefit which are detrimental to the Foundation.

* Annually Board members shall disclose interests that could give rise to conflicts.

* The Secretary/Treasurer is charged with monitoring compliance with the Conflict of Interest policy. The full Board is charged with enforcing compliance. Annually at the January Board meeting the Secretary/Treasurer will report on matters which may have arisen during the year.

Form 990, Part VI, Line 15b - Compensation Review & Approval Process for Officers & Key Employees

The Foundation's independent Board draws upon other board experience, business experience, discussions with other organizations, and any other sources considered

Name of the organization

Texas Bar Foundation

Employer identification number

74-6074796

Form 990, Part VI, Line 15b - Compensation Review & Approval Process for Officers & Key Employees (continued)

necessary to determine compensation for the Executive Director and any other
officers.

Form 990, Part VI, Line 19 - Other Organization Documents Publicly Available

Available upon request.

Hester Capital Management LLC
REALIZED GAINS AND LOSSES
Texas Bar Foundation

014

From 06-01-09 Through 05-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Proceeds	Gain Or Loss	
						Short Term	Long Term
09-03-08	06-09-09	700	Joy Global Inc	37,670	28,774	-8,896	
10-04-06	06-09-09	750	Joy Global Inc	27,437	30,829		3,392
12-02-08	06-25-09	12,009	FNMA Pool #255054 4 000% Due 12-01-10	12,054	12,009	-45	
12-03-08	07-13-09	50,000	FHLB (callable 7/17/09 @ 100 00) 4 220% Due 01-17-12	50,477	50,000	-477	
12-02-08	07-25-09	10,260	FNMA Pool #255054 4 000% Due 12-01-10	10,298	10,260	-38	
12-30-08	07-30-09	200	Dentsply Intl Inc New	5,472	7,047	1,575	
09-28-05	07-30-09	100	Dentsply Intl Inc New	2,685	3,523		839
01-31-01	07-30-09	200	Dentsply Intl Inc New	2,351	7,047		4,695
10-04-06	08-07-09	1,250	Joy Global Inc	45,728	53,454		7,726
06-12-07	08-17-09	350	Broadridge Finl Solutions In	6,765	7,083		318
06-13-07	08-17-09	600	Broadridge Finl Solutions In	11,595	12,143		547
06-18-07	08-17-09	50	Broadridge Finl Solutions In	965	1,012		46
12-02-08	08-25-09	9,210	FNMA Pool #255054 4 000% Due 12-01-10	9,245	9,210	-35	
07-07-09	08-25-09	965	FNMA Pool #725419 4 500% Due 10-01-33	971	965	-6	
08-08-07	09-09-09	3,000	Del Monte Foods Co	33,515	35,339		1,824
01-10-07	09-09-09	1,250	Del Monte Foods Co	13,645	14,725		1,080
06-15-00	09-15-09	100,000	FHLMC 6 625% Due 09-15-09	96,510	100,000		3,490
10-04-06	09-16-09	100	Joy Global Inc	3,658	4,712		1,054
06-22-09	09-16-09	650	Joy Global Inc	21,598	30,629	9,031	
12-02-08	09-25-09	7,167	FNMA Pool #255054 4 000% Due 12-01-10	7,194	7,167	-27	
07-07-09	09-25-09	555	FNMA Pool #725419 4 500% Due 10-01-33	559	555	-3	
06-22-09	10-08-09	350	Joy Global Inc	11,630	17,793	6,163	
12-31-08	10-08-09	450	Joy Global Inc	10,333	22,877	12,544	
12-31-08	10-21-09	50	Joy Global Inc	1,148	2,783	1,635	
03-20-09	10-21-09	150	Joy Global Inc	3,411	8,349	4,938	
12-02-08	10-25-09	8,742	FNMA Pool #255054 4 000% Due 12-01-10	8,775	8,742	-33	
07-07-09	10-25-09	390	FNMA Pool #725419 4 500% Due 10-01-33	392	390	-2	
05-14-07	11-17-09	300,000	FNMA 5 500% Due 11-17-16	300,900	300,000		-900
07-22-05	11-20-09	250,000	Riverside California Pension (Taxable) GO 4 560% Due 06-01-13	248,045	250,250		2,205
12-02-08	11-25-09	7,975	FNMA Pool #255054 4 000% Due 12-01-10	8,005	7,975	-30	
07-07-09	11-25-09	832	FNMA Pool #725419 4 500% Due 10-01-33	837	832	-5	
12-04-08	12-10-09	50,000	FFCB (callable 12/10/09 @ 100 00) 4 600% Due 12-10-15	50,000	50,000		0
08-25-08	12-21-09	379	Wellpoint Inc	19,991	22,777		2,786
08-25-08	12-22-09	521	Wellpoint Inc	27,481	31,363		3,882
12-02-08	12-25-09	2,831	FNMA Pool #255054 4 000% Due 12-01-10	2,841	2,831		-11

Hester Capital Management LLC
REALIZED GAINS AND LOSSES
Texas Bar Foundation
014
From 06-01-09 Through 05-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Proceeds	Gain Or Loss	
						Short Term	Long Term
07-07-09	12-25-09	364	FNMA Pool #725419 4 500% Due 10-01-33	366	364	-2	
02-11-08	12-28-09	300	Covidien PLC	12,765	14,567		1,802
01-22-08	12-28-09	1,100	Covidien PLC	46,499	53,414		6,916
01-23-08	12-28-09	150	Covidien PLC	6,234	7,284		1,049
10-18-07	12-28-09	100	Covidien PLC	4,088	4,856		768
12-03-08	12-29-09	150,000	FHLB (callable 12/29/09 @ 100 00) 4 625% Due 12-29-15	150,000	150,000		0
03-20-09	01-08-10	400	Joy Global Inc	9,095	23,665	14,571	
12-30-08	01-08-10	100	Joy Global Inc	2,195	5,916		3,721
03-11-99	01-11-10	2,152	Intel Corp	63,926	45,050		-18,876
06-18-99	01-11-10	98	Intel Corp	2,679	2,052		-628
12-30-08	01-13-10	900	Joy Global Inc	19,757	54,306		34,548
01-20-09	01-13-10	1,000	Joy Global Inc	21,423	60,340	38,917	
03-13-09	01-13-10	1,100	Joy Global Inc	21,976	66,373	44,398	
06-15-00	01-15-10	200,000	FNMA 7 250% Due 01-15-10	202,328	200,000		-2,328
08-25-08	01-19-10	525	Wellpoint Inc	27,692	35,967		8,275
08-25-08	01-20-10	75	Wellpoint Inc	3,956	5,082		1,126
07-23-09	01-20-10	250	Wellpoint Inc	12,712	16,939	4,227	
07-10-09	01-20-10	400	Wellpoint Inc	19,922	27,103	7,181	
06-09-09	01-20-10	200	Wellpoint Inc	9,051	13,551	4,500	
05-21-09	01-20-10	550	Wellpoint Inc	24,818	37,266	12,448	
12-02-08	01-25-10	7,960	FNMA Pool #255054 4 000% Due 12-01-10	7,990	7,960		-30
07-07-09	01-25-10	523	FNMA Pool #725419 4 500% Due 10-01-33	527	523	-3	
10-18-07	02-01-10	400	Covidien PLC	16,352	20,070		3,717
10-19-07	02-01-10	100	Covidien PLC	4,033	5,017		984
05-14-07	02-16-10	300,000	FNMA 5 550% Due 02-16-17	301,200	300,000		-1,200
12-02-08	02-25-10	2,973	FNMA Pool #255054 4 000% Due 12-01-10	2,985	2,973		-11
07-07-09	02-25-10	489	FNMA Pool #725419 4 500% Due 10-01-33	492	489	-3	
10-14-09	03-03-10	1,000	Del Monte Foods Co	11,102	12,535	1,433	
01-10-07	03-03-10	250	Del Monte Foods Co	2,729	3,134		405
10-22-07	03-03-10	1,650	Del Monte Foods Co	17,357	20,683		3,327
10-22-07	03-18-10	50	Del Monte Foods Co	526	719		193
09-07-07	03-18-10	750	Del Monte Foods Co	7,838	10,783		2,945
09-07-07	03-23-10	300	Del Monte Foods Co	3,135	4,307		1,172
09-07-07	03-24-10	700	Del Monte Foods Co	7,315	10,135		2,819
05-21-04	03-24-10	300	Del Monte Foods Co	3,128	4,344		1,216
12-02-08	03-25-10	8,362	FNMA Pool #255054 4 000% Due 12-01-10	8,393	8,362		-31
07-07-09	03-25-10	347	FNMA Pool #725419 4 500% Due 10-01-33	349	347	-2	
03-11-09	03-30-10	500,000	FNMA Multi-Step Cpn Bond 2 1% to 3/10 (1x 3 00% thereafter) 2 100% Due 03-30-12	500,000	500,000		0
02-04-10	04-15-10	1,300	Joy Global Inc	58,607	83,745	25,138	
02-04-10	04-19-10	200	Joy Global Inc	9,016	11,994	2,977	

Hester Capital Management LLC
REALIZED GAINS AND LOSSES
Texas Bar Foundation
014
From 06-01-09 Through 05-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Proceeds	Gain Or Loss	
						Short Term	Long Term
12-02-08	04-25-10	4,974	FNMA Pool #255054 4 000% Due 12-01-10	4,992	4,974		-19
07-07-09	04-25-10	455	FNMA Pool #725419 4 500% Due 10-01-33	458	455	-3	
09-20-07	04-28-10	0	Koninklijke Philips Electrs	5	3		-1
07-10-08	04-30-10	200,000	Trustreet Properties/G E REIT 7 500% Due 04-01-15	216,700	207,500		-9,200
09-28-07	05-06-10	1,000	Fidelity Natl Information Sv	24,907	29,797		4,890
07-27-09	05-06-10	1,150	Fidelity Natl Information Sv	24,779	34,267	9,488	
01-16-08	05-06-10	550	Fidelity Natl Information Sv	11,768	16,389		4,621
12-02-08	05-25-10	9,052	FNMA Pool #255054 4 000% Due 12-01-10	9,086	9,052		-34
07-07-09	05-25-10	541	FNMA Pool #725419 4 500% Due 10-01-33	544	541	-3	
TOTAL GAINS						201,163	118,380
TOTAL LOSSES						-9,614	-33,268
				3,011,977	3,288,638	191,549	85,111
TOTAL REALIZED GAIN/LOSS 276,661							

Hester Capital Management LLC
UNREALIZED GAINS AND LOSSES
Texas Bar Foundation
014
May 31, 2010

Date	Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Unrealized Gain/Loss	% G/L
COMMON STOCK								
Energy								
11-10-04	2,000	Apache Corp.	74.61	149,223	89.54	179,080	29,857	20.0
12-11-03	4,000	Baker Hughes Inc	34.33	137,340	38.14	152,560	15,220	11.1
07-02-03	2,950	ConocoPhillips	37.78	111,447	51.86	152,987	41,540	37.3
09-29-89	2,854	Exxon Mobil Corp	5.90	16,841	60.46	172,553	155,712	924.6
08-31-09	4,950	Noble Corporation Baar	38.53	190,713	29.07	143,896	-46,817	-24.5
09-15-08	5,600	Petroleo Brasileiro SA Petro	34.89	195,399	35.62	199,472	4,073	2.1
03-08-06	8,100	Tetra Technologies Inc Del	20.80	168,498	10.06	81,486	-87,012	-51.6
				969,461		1,082,034	112,573	11.6
Materials								
06-06-06	10,700	Alcoa Inc	17.58	188,111	11.64	124,548	-63,563	-33.8
03-28-08	3,450	International Flavors & Fragra	43.07	148,575	44.50	153,525	4,950	3.3
04-23-09	5,650	Intrepid Potash Inc	23.18	130,972	24.66	139,329	8,357	6.4
				467,658		417,402	-50,256	-10.7
Industrials								
06-10	3,850	AECOM Technology Corp	27.11	104,388	25.38	97,713	-6,675	-6.4
05-21-09	2,850	Emerson Elec Co	32.55	92,772	46.44	132,354	39,582	42.7
03-04-03	2,850	General Dynamics Corp	41.90	119,427	67.90	193,515	74,088	62.0
09-29-89	11,100	General Electric Co	17.98	199,561	16.35	181,485	-18,076	-9.1
07-13-06	4,100	Illinois Tool Wks Inc	43.35	177,746	46.43	190,363	12,617	7.1
05-21-02	6,850	Republic Svcs Inc	16.37	112,124	29.12	199,472	87,348	77.9
06-22-95	6,900	Tyco International Ltd	27.47	189,539	36.19	249,711	60,172	31.7
02-02-07	4,900	WESCO Intl Inc	50.51	247,511	37.40	183,260	-64,251	-26.0
				1,243,068		1,427,873	184,805	14.9
Consumer Discretionary								
06-23-08	4,600	Choice Hotels Intl Inc	28.21	129,759	33.31	153,226	23,467	18.1
11-08-06	8,800	Hanesbrands Inc	24.02	211,367	27.28	240,064	28,697	13.6
01-22-04	9,121	Koninklijke Philips Electrs	27.96	255,029	29.82	271,988	16,960	6.7
05-25-10	1,100	McDonalds Corp.	67.28	74,013	66.87	73,557	-456	-0.6
05-02-07	13,250	News Corp	18.05	239,125	13.20	174,900	-64,225	-26.9
05-30-06	3,000	Nike Inc	41.52	124,554	72.38	217,140	92,586	74.3
01-11-05	7,950	Viacom Inc New	38.68	307,522	33.61	267,199	-40,322	-13.1
				1,341,368		1,398,075	56,706	4.2
Consumer Staples								
07-15-08	6,600	CVS Caremark Corporation	34.42	227,167	34.63	228,558	1,391	0.6
12-18-02	5,400	Coca Cola Co	43.43	234,531	51.40	277,560	43,029	18.3
05-21-04	19,750	Del Monte Foods Co	9.54	188,468	14.58	287,955	99,487	52.8
01-29-08	4,300	Kimberly Clark Corp	60.42	259,823	60.70	261,010	1,187	0.5
03-25-10	3,350	McCormick & Co. Inc.	38.52	129,028	38.57	129,209	182	0.1
				1,039,017		1,184,292	145,275	14.0
Health Care								
02-95	4,600	Covidien PLC	25.86	118,966	42.39	194,994	76,028	63.9
05-24-00	3,800	Dentsply Intl Inc New	10.13	38,483	32.43	123,234	84,751	220.2

Hester Capital Management LLC
UNREALIZED GAINS AND LOSSES
Texas Bar Foundation

014

May 31, 2010

Date	Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Unrealized Gain/Loss	% G/L
06-24-03	4,750	Quest Diagnostics Inc	36.84	174,973	52.75	250,562	75,589	43.2
02-17-09	4,150	Thermo Fisher Scientific Inc	37.18	154,294	52.06	216,049	61,755	40.0
				486,716		784,839	298,124	61.3
Financials								
09-03-02	2,200	Affiliated Managers Group	33.41	73,499	71.65	157,630	84,131	114.5
				73,499		157,630	84,131	114.5
Information Technology								
05-14-07	6,400	Accenture PLC Ireland	39.68	253,973	37.52	240,128	-13,845	-5.5
02-14-06	10,100	Amdocs Ltd	29.91	302,117	28.50	287,850	-14,267	-4.7
06-14-07	10,500	Broadridge Finl Solutions In	17.57	184,477	19.12	200,760	16,283	8.8
08-24-05	9,500	Cisco Sys Inc	20.58	195,538	23.16	220,020	24,482	12.5
07-17-06	3,450	Fidelity Natl Information Sv	19.46	67,126	27.52	94,944	27,818	41.4
02-19-97	3,750	Hewlett Packard Co	21.39	80,223	46.01	172,537	92,315	115.1
06-18-99	14,350	Intel Corp	23.22	333,144	21.42	307,377	-25,767	-7.7
02-25-05	1,900	International Business Machs	87.95	167,111	125.26	237,994	70,883	42.4
17-04	7,250	Microsoft Corp	26.80	194,306	25.80	187,050	-7,256	-3.7
4-06-04	8,800	Western Un Co	13.45	118,324	15.96	140,448	22,124	18.7
				1,896,337		2,089,108	192,771	10.2
Telecommunication Services								
05-31-07	9,500	SK Telecom Ltd	23.24	220,766	15.55	147,725	-73,041	-33.1
05-04-10	4,700	Vodafone Group PLC ADR	21.75	102,217	20.10	94,470	-7,747	-7.6
				322,982		242,195	-80,787	-25.0
Utilities								
04-15-03	3,200	EQT Corp	23.23	74,324	39.19	125,408	51,084	68.7
12-06-04	10,700	MDU Res Group Inc	18.84	201,631	18.70	200,090	-1,541	-0.8
				275,954		325,498	49,544	18.0
Small Cap								
06-10-09	2,300	IShares SP Smallcap 600/Barra Growth Index	48.64	111,874	60.61	139,403	27,529	24.6
06-10-09	1,700	Vanguard Small-Cap ETF	48.58	82,587	61.35	104,295	21,708	26.3
				194,461		243,698	49,237	25.3
		COMMON STOCK Total		8,310,522		9,352,646	1,042,123	12.5
INTERNATIONAL COMMON STOCK								
07-11-07	3,725	Barclays Bk iPath MSCI India Total Return	59.40	221,275	60.82	226,554	5,280	2.4
08-01-07	7,300	PowerShares Golden Dragon Halt USX China	25.78	188,165	23.00	167,900	-20,265	-10.8
1-07	6,700	iShares Inc MSCI Australia Index Fund	28.33	189,782	20.11	134,737	-55,045	-29.0

Hester Capital Management LLC
UNREALIZED GAINS AND LOSSES

Texas Bar Foundation

014

May 31, 2010

Date	Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Unrealized Gain/Loss	% G/L
07-26-07	3,500	iShares Inc MSCI Brazil (Free) Index Fund	54.55	190,913	63.52	222,320	31,407	16.5
07-02-07	4,350	iShares Inc MSCI Canada Index Fund	29.59	128,702	26.17	113,839	-14,862	-11.5
02-04-10	2,400	iShares Inc MSCI Chile Investable Mkt Idx	53.32	127,975	55.41	132,984	5,009	3.9
05-30-07	1,700	iShares Inc MSCI EAFE Index Fund	80.13	136,214	48.32	82,144	-54,070	-39.7
10-29-09	3,250	iShares Inc MSCI Emerging Markets Idx Fund	38.77	126,017	38.10	123,825	-2,192	-1.7
09-21-07	4,250	iShares Inc MSCI France Index Fund	36.54	155,308	20.56	87,380	-67,928	-43.7
06-19-07	3,600	iShares Inc MSCI Germany Index Fund	33.08	119,078	19.15	68,940	-50,138	-42.1
12-17-09	8,250	iShares Inc MSCI Hong Kong Index Fund	15.52	128,014	14.78	121,935	-6,079	-4.7
05-02-07	2,850	iShares Inc MSCI Mexico Invest	57.69	164,420	48.89	139,336	-25,083	-15.3
08-10-07	4,800	iShares Inc MSCI South Korea Index Fund	53.98	259,097	44.00	211,200	-47,897	-18.5
20-08	4,500	iShares Inc MSCI Taiwan Index	14.54	65,440	11.36	51,120	-14,320	-21.9
12-10-07	4,100	iShares Inc MSCI United Kingdom	24.20	99,207	14.17	58,097	-41,110	-41.4
04-27-10	7,500	iShares Inc MSCI Sweden Index Fd	24.82	186,115	22.83	171,225	-14,890	-8.0
01-16-08	4,350	iShares Tr Index FTSE Xinhua China Idx	44.27	192,583	39.38	171,303	-21,280	-11.1
				2,678,307		2,284,840	-393,467	-14.7

REAL ESTATE INVESTMENT TRUSTS (REITS)

06-04-07	3,100	SPDR Index Shs Fds Intl RL ETF	67.36	208,804	31.43	97,433	-111,371	-53.3
09-19-07	2,300	iShares Tr DJ Home Constn	24.62	56,618	13.47	30,981	-25,637	-45.3
				265,422		128,414	-137,008	-51.6
REAL ESTATE INVESTMENT Total				265,422		128,414	-137,008	-51.6

CORPORATE BONDS

04-10-08	200,000	American Home Products/Wyeth 6.950% Due 03-15-11	108.29	216,584	104.67	209,340	-7,244	-3.3
03-05-08	200,000	Vulcan Materials 5.600% Due 11-30-12	103.39	206,780	107.99	215,986	9,206	4.5
04-10-08	200,000	Walt Disney Company 4.700% Due 12-01-12	102.93	205,852	108.14	216,289	10,437	5.1
04-10-08	200,000	Du Pont E.I. De Nemours 5.000% Due 01-15-13	104.00	208,000	108.59	217,188	9,188	4.4
10-08	200,000	Wal-Mart Stores Inc. 4.250% Due 04-15-13	100.90	201,794	106.97	213,932	12,138	6.0

Hester Capital Management LLC
UNREALIZED GAINS AND LOSSES
Texas Bar Foundation

014
May 31, 2010

Date	Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Unrealized Gain/Loss	% G/L
02-19-09	100,000	Wal-Mart Stores Inc. 3.000% Due 02-03-14	99.86	99,861	102.69	102,689	2,828	2.8
12-03-08	150,000	Hewlett-Packard Company 6.125% Due 03-01-14	100.70	151,050	113.86	170,784	19,734	13.1
02-19-09	100,000	Coca-Cola Enterprises 4.250% Due 03-01-15	99.49	99,494	107.36	107,363	7,869	7.9
04-10-08	250,000	Merck & Co. Inc. 4.750% Due 03-01-15	100.84	252,107	109.65	274,131	22,024	8.7
04-22-09	100,000	Emerson Electric Company 4.125% Due 04-15-15	101.42	101,420	106.83	106,832	5,412	5.3
04-10-08	200,000	Pitney Bowes Inc. 4.750% Due 01-15-16	97.77	195,548	105.85	211,707	16,159	8.3
03-06-08	200,000	General Electric Company 5.250% Due 12-06-17	99.24	198,480	107.05	214,095	15,615	7.9
02-19-09	150,000	Cisco Systems Inc. 4.950% Due 02-15-19	99.20	148,798	107.14	160,717	11,918	8.0
02-19-09	150,000	Unilever Capital Corp 4.800% Due 02-15-19	99.93	149,890	106.25	159,382	9,491	6.3
				2,435,659		2,580,435	144,776	5.9
MUNICIPAL BONDS								
06-11-08	200,000	Irvington Twp N.J. G.O.(Taxable)(N/C) 0.000% Due 07-15-13	77.00	154,008	86.18	172,358	18,350	11.9
				154,008		172,358	18,350	11.9
GOVERNMENT BONDS								
11-05-04	114,641	U.S. Treasury Inflation Protected TIP 3.000% Due 07-15-12	102.38	117,369	106.18	121,726	4,357	3.7
11-05-04	200,873	U.S. Treasury Inflation Protected TIP 1.875% Due 07-15-13	91.97	184,734	105.23	211,372	26,638	14.4
11-05-04	115,054	U.S. Treasury Inflation Protected TIP 2.000% Due 07-15-14	89.78	103,295	106.66	122,713	19,417	18.8
				405,398		455,810	50,412	12.4
GOVERNMENT AGENCIES								
10-18-07	250,000	FHLB 5.300% Due 10-22-15	100.55	251,375	101.81	254,531	3,156	1.3
05-05-10	250,000	FNMA Multi-Step Cpn (call 11/10@100)(3% to 5/12, 4% to 5/14, 5% to 5/16) 3.000% Due 05-19-20	100.00	250,000	100.62	251,562	1,562	0.6
07-07-09	57,090	FNMA Pool #725419 4.500% Due 10-01-33	100.59	57,429	102.94	58,767	1,338	2.3
				558,804		564,861	6,057	1.1
GOVERNMENT AGENCIES/MTGE-BACKED								
08	115,256	FNMA Pool #255054 4.000% Due 12-01-10	100.37	115,689	100.37	115,689	0	0.0

Hester Capital Management LLC
UNREALIZED GAINS AND LOSSES

Texas Bar Foundation

014

May 31, 2010

Date	Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Unrealized Gain/Loss	% G/L
10-16-09	225,000	GNMA GNR 2009-69 5 000% Due 02-20-38	102.50	230,625	107.59	242,075	11,450	5.0
				346,314		357,764	11,450	3.3
CASH AND EQUIVALENTS								
		AIM STIC Prime Institutional		1,375,965		1,375,965		
				1,375,965		1,375,965		
TOTAL PORTFOLIO				16,530,399		17,273,093	742,694	4.5

LESS CASH EQUIVALENTS < 1,375,965 >

VALUATION DIFFERENCES 14,348

INVESTMENTS DEL 990 15,911,476

<u>Organization Legal Name</u>	<u>Project Title</u>	<u>Organization Tax ID</u>	<u>Grant Amount</u>
Texas Access to Justice Commission	Access to Justice Summer Internship Program	N/A - SBOT & Supreme	\$ 20,000
Texas Council on Family Violence	Limited English Proficiency From Rights to Reality	75-1658287	2,000
Workers Defense Project	Workers Rights Education Project	35-2296166	12,610
Lambda Legal Defense and Education Fund, Inc.	Promoting LGBT Rights Within Texas' Black Legal Community	23-7395681	1,500
National Alliance for the Mentally Ill (NAMI)- Texas	Criminal Justice Resources Project	74-2380175	15,000
Foundation of the American Board of Trial Advocates	Justice by the People	57-0969581	5,000
Houston Young Lawyers Association	Law-Related Education Awareness Programs for Texas Teens	74-1987442	14,615
Dallas Urban Debate Alliance	Dallas Urban Debate	38-3785200	30,000
Houston Urban Debate League	2010 HUDL Summer Workshop	26-2702012	12,500
Communities in Schools Houston, Inc.	Legal Internship Program	76-0031827	10,500
El Paso ISD Delta Academy	Encouraging and Improving Literacy for El Paso's Detained Youth	74-6000769	12,500
Blue Bonnett CASA	Justice for Children	30-0117462	935
Court Appointed Special Advocates for Kids of Austin, Waller and Washington Counties	Program Expansion	20-5177957	10,000
CASA of Central Texas, Inc.	Court Program Services/Casework Supervisor to train and support community volunteers	74-2403373	12,500
CASA of Tarrant County	New Caseworker Supervisor Position	75-1895412	15,000
Southwest Key Programs	Community Service for Juvenile Offenders: A Pilot Project to Improve Outcomes Utilizing the Cultural Arts	74-2481167	7,500
Alliance for Children, Inc.	Group Counseling Program	75-2363035	15,000
Santa Maria Hostel, Inc.	Court Liaison Client Services	74-1669131	12,500
Texas Migrant Council Inc	Safety First Project	74-1695460	10,000

Texas Bar Foundation
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2009 Form 990, Schedule I, Part II
Grants and Other Assistance

Dallas Children's Advocacy Center	22nd Annual Crimes Against Children Conference	75-2303404	10,000
Texas Center for the Judiciary, Inc.	Annual Judicial Education Conference - Texas Bar Foundation Day	74-2131161	25,000
Texas Criminal Defense Lawyers Education Institute	Annual Forensics Seminar	74-2233987	10,000
The Women's Center of Tarrant County	Rape Crisis & Victims Services	75-1501868	15,000
Human Rights Initiative of North Texas, Inc.	Women and Children's Program Attorney	75-2842602	10,000
Tahirih Justice Center	Reaching New Survivors: Outreach and Representation for Immigrant Women and Girls Fleeing Violence	54-1858176	10,000
American Gateways	Immigration Pro-Bono Representation Expansion Project (I PREP)	74-2578266	5,000
Las Americas Immigrant Advocacy Center	Mexican Asylum Representation and Pro Bono Project	74-2472774	27,500
State Bar of Texas	Texas Lawyers for Texas Veterans		20,000
Criminal District Court No. 7	Specialized Veterans Court for Dallas County	75-6000905	15,000
Legal Aid Society of Lubbock	Elder Law Community Education Division	75-1253155	10,000
Houston Volunteer Lawyers Program, Inc.	2009 Telephone System Upgrade	76-0090652	23,143
Catholic Charities of Southeast Texas	Immigration Services - LawLogix Client Fees	74-1900345	8,774
Texas Legal Services Center	Disaster Assistance - Technology Support Project	74-2220750	16,000
VSTEP Inc.	Development of Crime Victims' Rights Enforcement Curriculum and Implementation of Education Program	26-0341612	5,000
Bexar County Women's Bar Foundation	Elder Law Handbook Project	74-2510475	9,500
Better Business Bureau Foundation of El Paso, Inc.	BBBF/El Paso County Arbitration Program	74-2843049	3,000
Texas Young Lawyers Association	Cyber Safety and Kids	74-6000148	42,750
Earl Carl Institute for Legal and Social Policy, Inc.	Earl Carl Institute Juvenile Justice Project	76-0385044	20,000
Casa de Esperanza	Adoption Program	76-0105306	30,000

Texas Bar Foundation
EIN: 74-6074796

2009 Form 990, Schedule I, Part II
Grants and Other Assistance

Center for Family Relations d/b/a San Antonio Kids Exchange	Monitored Exchange Program	74-2780384	11,200
Centers for Children and Families, Inc.	Kids First	75-1005357	9,850
Court Appointed Special Advocates of Grayson County	Casework Management	75-2476105	6,800
State Bar of Texas Committee on Law Focused Education	Play by the Rules ...Texas Law for Youth Workshops	74-6000148	11,814
Youth Conflict Resolution Center	Five Hour Conflict Resolution Training	30-0189738	9,500
Child Advocates San Antonio (CASA)	Transitioning Youth Initiative: Working with the Legal System to Help Children in Need	74-2494625	8,750
Center for Child Protection	Advanced Multidisciplinary Training in Child Abuse Investigations	74-2562585	4,600
CASA of the South Plains, Inc.	Eyes for the Children	75-2482631	2,429
Women's Protective Services of Lubbock, Inc.	Regional Outreach/Community Education Project	75-1633066	3,500
Center Against Family Violence	'Un Camino Sin Violencia'/A Path Without Violence'	74-1945924	13,145
Oficina Legal del Pueblo Unido., D.B.A. Texas Civil Rights Project	The VAWA (Violence Against Women Act) Circuit Rider Program	74-1995879	5,250
Office of Court Administration	Texas Forum on Self-Represented Litigants and the Courts	aka Texas Supreme Co	10,000
Amarillo Area Bar Foundation	Centennial Historical Minute	20-1081641	12,000
Free Market Foundation	Year-Round Legal Intern Program	75-1403169	9,000
Texas Appleseed	Improving the Lives of Children in Long-Term Foster Care	74-2804268	15,000
Texas Center for Legal Ethics and Professionalism	Enhancing Access to Ethics-based Continuing Legal Education	74-2568406	6,500
Grants and allocations			674,665
Less refunds, rescinded grants and other adjustments			(11,766)
Grants and allocations reported on Form 990			\$ 662,899

2009

Schedule D, Part XIV - Supplemental Information

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Texas Bar Foundation

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Schedule D, Part XI, Line 8
Other Changes In Net Assets Or Fund Balances

Unrealized gain on cash surrender value of life insurance	Total	\$ 1,294.
		<u>\$ 1,294.</u>

Schedule D, Part XII, Line 2d
Other Revenue Included In F/S But Not Included On Form 990

Increase in cash surrender value	Total	\$ 1,294.
		<u>\$ 1,294.</u>

Texas Bar Foundation

74-6074796

Part II, Line 10 - Other Income

<u>Nature and Source</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Annual dinner	72,750.	66,700.	49,975.	51,000.	43,150.
Other revenues	6,320.	1,717.	7,762.	13,104.	4,367.
Total	<u>\$ 79,070.</u>	<u>\$ 68,417.</u>	<u>\$ 57,737.</u>	<u>\$ 64,104.</u>	<u>\$ 47,517.</u>