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Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2009

For calendar year 2009, or tax year beginning 07/01/09 **, and ending** 06/30/10

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

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

Name of foundation: HARTE CHARITABLE FOUNDATION

Number and street (or P O box number if mail is not delivered to street address): 20742 STONE OAK PARKWAY — Room/suite: 107

City or town, state, and ZIP code: SAN ANTONIO TX 78258

A Employer identification number: 45-0489907

B Telephone number (see page 10 of the instructions): 210-828-1505

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: [X] 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) ▶ $ 5,846,429

J Accounting method [X] Cash [ ] Accrual [ ] Other (specify) (Part I, column (d) must be on cash basis.)

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

	Line	Description	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc., received (attach schedule)				
	2	Check ▶ [X] if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments	65,466	65,466		
	4	Dividends and interest from securities	101,525	100,322		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	101,475			
	b	Gross sales price for all assets on line 6a 1,860,035				
	7	Capital gain net income (from Part IV, line 2)		101,475		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns & allowances				
	b	Less: Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	268,466	267,263	0	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc.				
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule) STMT 1	7,275			7,275
	c	Other professional fees (attach schedule) STMT 2	23,716	23,716		
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions) STMT 3	-2,606	572		
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings	252			252
	22	Printing and publications				
	23	Other expenses (att sch) STMT 4	39			39
	24	**Total operating and administrative expenses.** Add lines 13 through 23	28,676	24,288		7,566
	25	Contributions, gifts, grants paid	250,231			250,231
	26	**Total expenses and disbursements.** Add lines 24 and 25	278,907	24,288	0	257,797
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	-10,441			
	b	**Net investment income** (if negative, enter -0-)		242,975		
	c	**Adjusted net income** (if negative, enter -0-)			0	

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Part II Balance Sheets

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

			Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing			
	2	Savings and temporary cash investments	121,099	217,760	217,760
	3	Accounts receivable ▶			
		Less: allowance for doubtful accounts ▶			
	4	Pledges receivable ▶			
		Less: allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions)			
	7	Other notes and loans receivable (att. schedule) ▶			
		Less: allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S and state government obligations (attach schedule) STMT 5	100,181	180,175	180,000
	b	Investments—corporate stock (attach schedule) SEE STMT 6	6,008,715	5,921,322	4,055,013
	c	Investments—corporate bonds (attach schedule) SEE STMT 7	1,401,929	1,302,226	1,393,656
	11	Investments—land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach sch) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)			
	14	Land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach sch) ▶			
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I)	7,631,924	7,621,483	5,846,429
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)			
	23	**Total liabilities** (add lines 17 through 22)	0	0	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	7,631,924	7,621,483	
	30	**Total net assets or fund balances** (see page 17 of the instructions)	7,631,924	7,621,483	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	7,631,924	7,621,483	

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	7,631,924
2	Enter amount from Part I, line 27a	2	-10,441
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	7,621,483
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	7,621,483

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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	PUBLICLY TRADED SECURITIES	P		
b	MUTUAL FUND CAPITAL GAIN DIST			
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	1,859,458		1,758,560	100,898
b	577			577
c				
d				
e				

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				100,898
b				577
c				
d				
e				

2 Capital gain net income or (net capital loss)	If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7	2	101,475
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8		3	100,898

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part.

1 Enter the appropriate amount in each column for each year; see page 18 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2008	367,289	5,245,390	0.070021
2007	260,309	7,716,675	0.033733
2006	838,236	9,278,876	0.090338
2005	634,684	9,222,910	0.068816
2004	120,907	9,291,649	0.013012

2 **Total** of line 1, column (d)	2	0.275920
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.055184
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	6,140,584
5 Multiply line 4 by line 3	5	338,862
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	2,430
7 Add lines 5 and 6	7	341,292
8 Enter qualifying distributions from Part XII, line 4	8	257,797

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1				
	Date of ruling or determination letter: (attach copy of letter if necessary—see instructions)				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b			1	4,860
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col. (b)				
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			2	0
3	Add lines 1 and 2			3	4,860
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			4	0
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-			5	4,860
6	Credits/Payments.				
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	1,610		
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	1,610
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	3,250
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	
11	Enter the amount of line 10 to be: **Credited to 2010 estimated tax** ▶ Refunded ▶			11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		X
	If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ ______ **(2)** On foundation managers. ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ______			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities	2		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	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T	5		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?	6	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	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the 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	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

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Part VII-A Statements Regarding Activities (continued)

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		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?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ WILLIAM S. HARTE Telephone no. ▶ 210-828-1505
20742 STONE OAK PARKWAY, SUITE 107
Located at ▶ SAN ANTONIO, TX ZIP+4 ▶ 78258

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041**—Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the year ▶ 15

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

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

				Yes	No
1a	During the year did the foundation (either directly or indirectly):				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ 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)?	N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?	N/A	1c		
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):				
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009?	☐ Yes ☒ No			
	If "Yes," list the years ▶ 20 , 20 , 20 , 20				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see page 20 of the instructions)	N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ 20 , 20 , 20 , 20				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ 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.)	N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?		4b		X

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

			Yes	No
5a	During the year did the foundation pay or incur any amount to:			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No			
	(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No			
	(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No			
	(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) ☐ Yes ☒ No			
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No			
b	If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? N/A	**5b**		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No			
	If "Yes," attach the statement required by Regulations section 53.4945-5(d).			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	**6b**		X
	If "Yes" to 6b, file Form 8870.			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No			
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? N/A	**7b**		

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

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 8				

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

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

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

Part VIII **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** (continued)

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over $50,000 for professional services ▶

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

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 THE FOUNDATION'S PRIMARY ACTIVITY IS THE DISTRIBUTION OF FUNDS TO VARIOUS ORGANIZATIONS WHICH ARE DESCRIBED IN SECTION 170(C) OF THE INTERNAL REVENUE CODE.	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments See page 24 of the instructions 3	
Total. Add lines 1 through 3 ▶	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes			
a	Average monthly fair market value of securities		1a	6,087,417
b	Average of monthly cash balances		1b	146,678
c	Fair market value of all other assets (see page 24 of the instructions)		1c	0
d	**Total** (add lines 1a, b, and c)		1d	6,234,095
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	6,234,095
4	Cash deemed held for charitable activities Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)		4	93,511
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	6,140,584
6	**Minimum investment return.** Enter 5% of line 5		6	307,029

Part XI Distributable Amount (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6		1	307,029
2a	Tax on investment income for 2009 from Part VI, line 5	2a 4,860		
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b		
c	Add lines 2a and 2b		2c	4,860
3	Distributable amount before adjustments Subtract line 2c from line 1		3	302,169
4	Recoveries of amounts treated as qualifying distributions		4	
5	Add lines 3 and 4		5	302,169
6	Deduction from distributable amount (see page 25 of the instructions)		6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5. Enter here and on Part XIII, line 1		7	302,169

Part XII Qualifying Distributions (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes:		
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26	1a	257,797
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	257,797
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	0
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	257,797

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

Part XIII Undistributed Income (see page 26 of the instructions)

		(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7					302,169
2 Undistributed income, if any, as of the end of 2009.					
a Enter amount for 2008 only					
b Total for prior years: 20 ____ , 20 ____ , 20 ____					
3 Excess distributions carryover, if any, to 2009.					
a From 2004					
b From 2005					
c From 2006	44,965				
d From 2007					
e From 2008	108,223				
f **Total** of lines 3a through e		153,188			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ $ 257,797					
a Applied to 2008, but not more than line 2a					
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)					
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)					
d Applied to 2009 distributable amount					257,797
e Remaining amount distributed out of corpus					
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)		44,372			44,372
6 **Enter the net total of each column as indicated below:**					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		108,816			
b Prior years' undistributed income. Subtract line 4b from line 2b					
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed					
d Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions					
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions					
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010					0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)					
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)					
9 **Excess distributions carryover to 2010.** Subtract lines 7 and 8 from line 6a		108,816			
10 Analysis of line 9:					
a Excess from 2005					
b Excess from 2006	593				
c Excess from 2007					
d Excess from 2008	108,223				
e Excess from 2009					

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test—enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 Information Regarding Foundation Managers:

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

N/A

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.

N/A

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

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

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

N/A

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

N/A

c Any submission deadlines:

N/A

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

N/A

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
TEXAS A&M UNIVERSITY 6300 OCEAN DRIVE CORPUS CHRISTI TX 78412	NONE	501(C)(3)	CHARITABLE EDUCATION PURPOSE	150,231
TEXAS STATE UNIVERSITY 601 UNIVERSITY DRIVE SAN MARCOS TX 78666	NONE	501(C)(3)	CHARITABLE EDUCATION PURPOSE	100,000
Total			▶ 3a	250,231
b Approved for future payment N/A				
Total			▶ 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income (See page 28 of the instructions)
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	65,466	
4 Dividends and interest from securities			14	101,525	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	101,475	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue: a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0		268,466	0

13 **Total.** Add line 12, columns (b), (d), and (e) 13 268,466

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

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

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

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.

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

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

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

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

David L Sundt, TREASURER | 11-10-10 | TREASURER

Signature of officer or trustee | Date | Title

Paid Preparer's Use Only

Preparer's signature	Date 11/10/10	Check if self-employed ▶ ☒	Preparer's identifying number (see **Signature** on page 30 of the instructions) P00079891
Firm's name (or yours if self-employed), address, and ZIP code	WAYNE E. COLLIE, C.P.A. 20742 STONE OAK PARKWAY, SUITE 107 SAN ANTONIO, TX 78258-7478	EIN ▶ 74-6256833	Phone no 210-828-1505

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Federal Statements

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
ACCCOUNTING FEES	$ 7,275	$	$	$ 7,275
TOTAL	$ 7,275	$ 0	$ 0	$ 7,275

Statement 2 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FROST NATIONAL BANK-ADVISORY FEE	$ 23,716	$ 23,716	$	$
TOTAL	$ 23,716	$ 23,716	$ 0	$ 0

Statement 3 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FOREIGN INCOME TAXES	$ 572	$ 572	$	$
FEDERAL INCOME TAXES	-3,178			
TOTAL	$ -2,606	$ 572	$ 0	$ 0

Statement 4 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	$	$	$	$
EXPENSES				
MISCELLANEOUS EXPENSE	39			39
TOTAL	$ 39	$ 0	$ 0	$ 39

Federal Statements

Statement 5 - Form 990-PF, Part II, Line 10a - US and State Government Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
9049.774 FEDERATED GNMA TRUST SH	$ 100,181	$	COST	$
17509.728 FROST LOW DURATION MUNI BD		180,175	COST	180,000
TOTAL	$ 100,181	$ 180,175		$ 180,000

Statement 6 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
177,200 SHS HARTE HANKS INC.	$ 4,015,352	$ 4,015,352	COST	$ 1,851,740
320 SHS ADOBE SYSTEMS INC	6,664		COST	
880 SHS ALFAC INC	17,376		COST	
225 SHS AIR PRODUCTS & CHEMICALS INC	14,456	14,456	COST	14,582
260 SHS ALLERGAN INC	17,734	17,734	COST	15,148
500 SHS ALLSTATE CORP	10,077	10,077	COST	14,365
300 SHS AMERICAN EXPRESS CO		10,172	COST	11,910
104 SHS APPLE INC	9,523	14,177	COST	26,159
420 SHS AT&T INC	11,367		COST	
60 SHS BAIDU INC	9,800		COST	
230 SHS BANK OF NEW YORK MELLON CORP	6,350		COST	
90 SHS BARD C R INC	6,979	6,979	COST	6,978
150 SHS BAXTER INTERNATIONAL INC	7,563		COST	
290 SHS BHP BILLITON LTD	13,127	13,127	COST	17,977
170 SHS BP PLC SPONSORED ADR	7,312		COST	
429 SHS CATERPILLAR INC	38,291	19,120	COST	25,770
770 SHS CHESAPEAKE ENERGY CORP	16,403	16,403	COST	16,131
183 SHS CHINA MOBIL LTD	11,087		COST	
310 SHS CHURCH & DWIGHT CO INC	17,069		COST	

Federal Statements

Statement 6 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
780 SHS CISCO SYSTEM INC	$ 18,695	$ 13,778	COST	$ 16,622
250 SHS COCA COLA CO	9,679	12,123	COST	12,530
585 SHS COGNIZANT TECH SOLUTIONS	13,335	13,335	COST	29,285
890 SHS COMCAST CORPORATION	11,979		COST	
763 SHS CONAGRA FOODS INC	18,766	18,766	COST	17,793
580 SHS CORNING INC	7,822	7,822	COST	9,367
190 SHS COSTCO WHOLESALE CORP	10,669	10,669	COST	10,418
430 SHS CUMMINS INC	8,014	18,607	COST	28,006
483 SHS CVS CAREMARK CORP	16,314		COST	
350 SHS DEERE & CO COM	11,515	16,880	COST	19,488
650 SHS DELL INC	8,319		COST	
350 SHS DEVRY INC	18,829		COST	
1000 SHS E M C CORP MASSACHUSETTS	12,010	12,010	COST	18,300
148 SHS EATON CORP	7,255		COST	
690 SHS EMERSON ELECTRIC CO	21,715	21,715	COST	30,146
230 SHS ENCANA CORP	9,765	5,029	COST	6,978
477.45 SHS EXXON MOBIL CORP	28,070	30,717	COST	27,248
225 SHS FPL GROUP INC	10,802		COST	
450 SHS GAMESTOP CORP	10,367		COST	
441 SHS GENERAL DYNAMICS CORP	29,446		COST	
580 SHS GENERAL ELECTRIC CO		8,641	COST	8,364
180 SHS GENZYME CORP	11,658		COST	
440 SHS GILEAD SCIENCES INC	19,783	19,783	COST	15,083
450 SHS GOLDCORP INC	18,316	12,680	COST	19,732
280 SHS GOODRICH CORP	10,368		COST	
40 SHS GOOGLE INC	13,597	13,597	COST	17,798

Federal Statements

Statement 6 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
577 SHS HALLIBURTON CO	$ 17,666	$	COST	$
300 SHS HEWLETT PACKARD CO	11,579	11,579	COST	12,984
190 SHS HONEYWELL INTERNATIONAL	5,312	5,312	COST	7,416
208 SHS HSBC HOLDINGS PLC SPON ADR	15,129	7,607	COST	14,042
1540 SHS INTEL CORP	14,633	23,858	COST	29,953
130 SHS INTL BUSINESS MACHINES CORP	11,303	11,303	COST	16,052
109 SHS INTUITIVE SURGICAL INC	13,435		COST	
1500 SHS ISHARES BARCLAYS TIPS BOND	101,906	157,735	COST	160,365
3500 SHS ISHARES COHEN & STEERS RTY	92,357	92,357	COST	192,185
328 SHS JOHNSON & JOHNSON	18,592	18,592	COST	19,372
510 SHS JP MORGAN CHASE & CO	16,153	16,153	COST	18,671
400 SHS LIMITED BRANDS INC	4,634		COST	
200 SHS M&T BANK CORP	9,632		COST	
70 SHS MASTERCARD INC	11,495		COST	
300 SHS MCAFEE INC	9,149		COST	
170 SHS MCDONALDS CORP	9,393		COST	
350 SHS MCGRAW HILL COMPANIES INC	10,429		COST	
400 SHS MEDTRONIC INC	9,708	13,455	COST	14,508
430 SHS MERCK & CO INC	12,012	12,012	COST	15,037
640 SHS MICROSOFT CORP WASHNGTON	11,602	11,602	COST	14,726
108 SHS MONSANTO CO	8,200		COST	
450 SHS MOSAIC COMPANY	18,414		COST	
630 SHS NOKIA CORP	7,534		COST	
150 SHS NORFOLK SOUTHERN CORP	5,131	5,131	COST	7,957
129 SHS NORTHROP GRUMMAN CORP	5,515		COST	
290 SHS NOVARTIS AG	7,278	12,004	COST	14,013

Federal Statements

Statement 6 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
160 SHS NUCOR CORP	$ 6,831	$	COST	$
610 SHS NUVASIVE INC	26,837		COST	
580 SHS ORACLE CORPORATION	9,883	9,883	COST	12,447
260 SHS PACCAR INC	9,116		COST	
796 SHS PATTERSON UTI ENERGY INC	17,268	12,088	COST	10,244
315 SHS PEPSICO INC	10,774	17,068	COST	19,199
631 SHS PETROLEO BRASILEIRO SA PETRO	22,111	18,090	COST	21,656
650 SHS PFIZER INC	9,216	9,216	COST	9,269
274 SHS PHILIP MORRIS INTL INC	12,504	12,504	COST	12,560
100 SHS PRICELINE.COM INC	8,088	8,088	COST	17,654
320 SHS QUALCOMM INC	8,364	13,058	COST	10,509
400 SHS QUANTA SERVICES INC	8,618		COST	
142 SHS RAYTHEON CO	7,653		COST	
484 SHS SCHLUMBERGER LIMITED	34,858		COST	
660 SHS SCHWAB CHARLES CORP	9,940	9,940	COST	9,359
830 SHS SELECT SECTOR FINANCIAL	12,585	7,100	COST	11,462
620 SHS SELECT SECTOR TECHNOLOGY	9,795		COST	
1450 SHS SOUTHWEST AIRLINES CO	7,764	9,872	COST	16,109
150 SHS SPDR GOLD TRUST ETF	17,354	16,922	COST	18,252
620 SHS SPECTRA ENERGY CORP	15,518	15,518	COST	12,443
300 SHS ST. JUDE MEDICAL INC	11,649		COST	
600 SHS STARBUCKS CORP	8,411	8,411	COST	14,580
700 SHS STEEL DYNAMICS INC	7,414	10,562	COST	9,233
530 SHS SYMANTEC CORP	7,606		COST	
200 SHS SYNGENTA AG ADR	7,945		COST	
190 SHS SYSCO CORP	4,734		COST	

Federal Statements

Statement 6 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
665 SHS TAIWAN SEMICONDUCTOR MFG	$ 6,783	$ 6,779	COST	$ 6,490
200 SHS TENARIS	5,472		COST	
254 SHS ULTRA PETROLEUM CORP	14,643		COST	
620 SHS VALE SA SP ADR	9,276	9,276	COST	15,097
230 SHS VODAFONE GROUP PLC	4,771	4,771	COST	4,754
250 SHS WALMART STORES INC	12,732		COST	
590 SHS WEATHERFORD INTERNATIONAL	7,440	7,440	COST	7,753
500 SHS WELLS FARGO & CO		16,023	COST	12,800
350 SHS YUM! BRANDS INC	10,259	10,259	COST	13,664
6394.171 SHS FORWARD INTL SMALL COS	89,815		COST	
17182.131 SHS FROST HOOVER SM MIDCAP	97,728		COST	
30720.573 SHS FROST INTL EQUITY FUND	206,723	171,946	COST	220,881
3355.997 SHS IVY GLOBAL NAT RESOURCE	98,770	58,137	COST	52,253
5087.176 SHS MAINSTAY CONVER FUND I	79,658	59,316	COST	68,168
50 SHS AMAZON.COM INC		5,894	COST	5,463
350 SHS AMGEN INC		18,834	COST	18,410
200 SHS APACHE CORP		19,481	COST	16,838
1200 SHS APPLIED MATERIALS INC		15,660	COST	14,424
360 SHS BARRICK GOLD CORP		13,309	COST	16,348
300 SHS BORGWARNER INC		10,028	COST	11,202
650 SHS BRISTOL-MYERS SQUIBB CO		15,619	COST	16,211
250 SHS CELGENE CORP		14,232	COST	12,705
230 SHS CENOVUS ENERGY INC		4,736	COST	5,932
450 SHS GENTEX CORP		6,419	COST	8,091
450 SHS GREEN MOUNTAIN COFFEE		12,320	COST	11,565
400 SHS HOME DEPOT		10,404	COST	11,228

Federal Statements

Statement 6 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
900 SHS HUDSON CITY BANCORP INC	$	$ 12,015	COST	$ 11,025
460 SHS ILLINOIS TOOL WORKS INC		19,368	COST	18,989
440 SHS INGERSOLL-RAND PLC		15,636	COST	15,176
500 SHS ISHARES RUSSELL 1000 VALUE F		28,005	COST	27,105
1000 SHS ISHARES RUSSELL 2000 INDEX		65,821	COST	61,115
300 SHS KELLOGG CO		16,353	COST	15,090
500 SHS KENNAMETAL INC		11,282	COST	12,715
500 SHS LOWES COS INC		10,405	COST	10,210
225 SHS NEXTERA ENERGY INC		10,802	COST	10,971
350 SHS NYSE EURONEXT COM		10,356	COST	9,671
130 SHS PRAXAIR INC		9,854	COST	9,879
350 SHS PRINCIPAL FINANCIAL GROUP		8,328	COST	8,204
200 SHS ROCKWELL AUTOMATION INC		9,520	COST	9,818
250 SHS SAP AG SPON ADR		11,227	COST	11,075
150 SHS SIEMENS AG		14,108	COST	13,429
200 SHS TARGET CORP		9,625	COST	9,834
250 SHS TIDEWATER INC		10,457	COST	9,680
300 SHS UNION PACIFIC CORP		18,863	COST	20,853
9202.454 SHS FROST DIVIDEND VALUE EQ		75,276	COST	69,479
7486.84 SHS FROST SMALL CAP EQUITY		42,465	COST	53,531
1923.077 SHS TROWE PRICE INTL DISCVY		69,904	COST	66,712
TOTAL	$ 6,008,715	$ 5,921,322		$ 4,055,013

Federal Statements

Statement 7 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
300,000 BEAR STEARNS COMPANY INC	$ 292,800	$ 292,800	COST	$ 317,169
250,000 CME GROUP INC	251,968	251,968	COST	275,785
100,000 GILLETTE COMPANY	99,703		COST	
250,000 GLAXOSMITHKLINE CAPITAL INC	260,000	260,000	COST	273,630
200,000 PROCTOR & GAMBLE CO	200,698	200,698	COST	213,080
300,000 WACHOVIA CORPORATION	296,760	296,760	COST	313,992
TOTAL	$ 1,401,929	$ 1,302,226		$ 1,393,656

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Statement 8 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees, Etc.

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
WILLIAM S. HARTE 20742 STONE OAK PKWY STE 107 SAN ANTONIO TX 78258	PRES,COB,DIR	0.50	0	0	0
DAVID L. SINAK 20742 STONE OAK PKWY, STE 107 SAN ANTONIO TX 78258	TRS,SEC,DIR	0.50	0	0	0
ELIZABETH H. OWENS 20742 STONE OAK PKWY, STE 107 SAN ANTONIO TX 78258	DIRECTOR	0.20	0	0	0
CHRISTOPHER M. HARTE 20742 STONE OAK PKWY, STE 107 SAN ANTONIO TX 78258	DIRECTOR	0.20	0	0	0
JULIA H. WIDDOWSON 20742 STONE OAK PKWY, STE 107 SAN ANTONIO TX 78258	DIRECTOR	0.20	0	0	0

Federal Statements

Taxable Interest on Investments

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code
CHARLES SCWAB CASH ACCOUNT	$ 4		14	
FROST NATIONAL BANK	65,462		14	
TOTAL	$ 65,466			

Tax-Exempt Dividends from Securities

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code
FROST LOW DURATION MUNI BOND	$ 1,203		14	
TOTAL	$ 1,203			

Taxable Dividends from Securities

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code
CHARLES SCHWAB	$ 53,160		14	
FROST NATIONAL BANK	47,162		14	
TOTAL	$ 100,322			

HARTE CHARITABLE FOUNDATION
EIN: 45-0489907
FYE 06/30/10

Form 990-PF, Part XII, Line 3b

1. Attached as Exhibit I is a list of the distributable amounts determined under IRC Sec. 4942(d) for all past tax years in the taxpayer's start-up and full payment periods.

2. Attached as Exhibit II is a list of actual payments made in cash or its equivalent for exemption purposes during each tax year in the taxpayer's start up and full payment periods.

HARTE CHARITABLE FOUNDATION
EIN: 45-0489907
FYE 06/30/10

Exhibit I – Distributable Amounts Determined under IRC Sec. 4942(d) for all Past Tax Years in the Taxpayer's Start-up and Full Payment Periods

Tax Year	Distributable Amount
Year 1, FYE 06/30/2004	54,325
Year 2, FYE 06/30/2005	460,177
Year 3, FYE 06/30/2006	458,338
Year 4, FYE 06/30/2007	462,167
Year 5, FYE 06/30/2008	379.448
Year 6, FYE 06/30/2009	260,668
	2,075,123

HARTE CHARITABLE FOUNDATION
EIN: 45-0489907
FYE 06/30/10

Exhibit II – Actual Payments Made in Cash or It's Equivalent for Exemption Purposes During Each Tax Year in the Taxpayer's Start Up and Full Payment Periods

Date	Payee	Amount of Distribution
FYE 06/30/03 (before start up)		
05/28/2003	Fifth Avenue Presbyterian Church	550
Year 1 FYE 06/30/04		
06/30/04	Charitable expenses	385
Year 2 FYE 06/30/05		
11/03/04	Texas A&M Corpus Christi	117,000
6/30/05	Charitable expenses	3,907
Year 3 FYE 06/30/06		
8/24/05	Texas A&M Corpus Christi	80,200
2/10/06	Texas A&M Corpus Chrisit	136,640
2/14/06	Texas A&M Corpus Christi	3,000
6/30/06	Charitable expenses	4,492
Year 4 FYE 06/30/07		
8/30/06	Texas A&M Corpus Christi	132,960
4/11/07	Texas A&M Corpus Christi	134,000
6/28/07	Parks & Wildlife Foundation of Texas	100,000
6/29/07	Texas A&M Corpus Christi Foundation	740,000
6/30/07	Charitable expenses	13
Year 5 FYE 06/30/08		
7/29/07	Texas A&M Corpus Christi	67,000
10/10/07	Texas A&M Corpus Christi	76,341
12/21/07	Texas A&M Corpus Christi	116,720
4/2/08	Texas A&M Corpus Christi	87,540
6/30/08	Texas A&M Corpus Christi	45,000
6/30/08	Charitable expenses	13,908
Year 6 FYE 06/30/09		
11/14/08	Texas A&M Corpus Christi	124,422
12/03/08	Texas A&M Corpus Christi	65,000
03/12/09	Texas A&M Corpus Christi	28,662
06/23/09	Texas A&M Corpus Christi	138,661

HARTE CHARITABLE FOUNDATION
EIN: 45-0489907
FYE 06/30/10

Exhibit II – Actual Payments Made in Cash or It's Equivalent for Exemption Purposes During Each Tax Year in the Taxpayer's Start Up and Full Payment Periods

Date	Payee	Amount of Distribution
Year 6 FYE 06/30/09 (continued)		
06/30/09	Friends of HRI	2,500
06/30/09	Charitable expenses	9,646
Year 7 FYE 06/30/10		
07/24/09	Texas A&M Corpus Christi	10,075
11/02/09	Texas A&M Corpus Christi	5,337
12/21/09	Texas State University San Marcos	100,000
03/12/10	Texas A&M Corpus Christi	12,500
03/10/10	Texas A&M Corpus Christi	122,319
06/30/09	Charitable expenses	7,566
		2,486,344