



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Form 990-PF

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

OMB No 1545-0052

2009

Department of the Treasury
Internal Revenue Service

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

For calendar year 2009, or tax year beginning 09-01-2009 , and ending 08-31-2010

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 ED RACHAL FOUNDATION		A Employer identification number 74-1116595	
	Number and street (or P O box number if mail is not delivered to street address) Room/suite 500 N SHORELINE BLVD ROOM/SUITE 606		B Telephone number (see page 10 of the instructions) (361) 881-9040	
	City or town, state, and ZIP code CORPUS CHRISTI, TX 78471		C If exemption application is pending, check here ☐ D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐ E If private foundation status was terminated under section 507(b)(1)(A), check here ☐ F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐	
H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation				
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 66,948,494		J Accounting method ☐ 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))		(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 ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	1,093	1,093	1,093	
	4 Dividends and interest from securities.	1,331,473	1,331,473	1,331,473	
	5a Gross rents	36,295	36,295	36,295	
	b Net rental income or (loss) 36,295				
	6a Net gain or (loss) from sale of assets not on line 10	373,095			
	b Gross sales price for all assets on line 6a 13,573,335				
	7 Capital gain net income (from Part IV , line 2)		373,095		
	8 Net short-term capital gain			265,165	
	9 Income modifications				
	10a Gross sales less returns and allowances				
Operating and Administrative Expenses	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)	5,925,931	6,549,136	5,925,931	
	12 Total. Add lines 1 through 11	7,667,887	8,291,092	7,559,957	
	13 Compensation of officers, directors, trustees, etc	269,500	146,750		122,750
	14 Other employee salaries and wages	48,094	24,047		24,047
	15 Pension plans, employee benefits	46,077	23,039		23,038
	16a Legal fees (attach schedule)	14,786	14,786		
	b Accounting fees (attach schedule)	19,492	15,594		3,898
	c Other professional fees (attach schedule)	21,470	13,870		7,600
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)	98,684	96,254		2,430
	19 Depreciation (attach schedule) and depletion	41,605	41,605		
	20 Occupancy	28,918	14,459		14,459
	21 Travel, conferences, and meetings	8,389	3,356		5,033
	22 Printing and publications				
	23 Other expenses (attach schedule)	109,418	40,304		69,114
	24 Total operating and administrative expenses. Add lines 13 through 23	706,433	434,064		272,369
	25 Contributions, gifts, grants paid	2,952,251			2,952,251
	26 Total expenses and disbursements. Add lines 24 and 25	3,658,684	434,064		3,224,620
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	4,009,203			
	b Net investment income (if negative, enter -0-)		7,857,028		
	c Adjusted net income (if negative, enter -0-)			7,559,957	

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	1Cash—non-interest-bearing	203,750	1,929,650	1,929,649
	2Savings and temporary cash investments	6,573,958	3,323,000	3,323,000
	3Accounts receivable ▶ <u>1,181,547</u>			
	Less allowance for doubtful accounts ▶ _____	1,030,329	1,181,547	1,181,547
	4Pledges receivable ▶ _____			
	Less allowance for doubtful accounts ▶ _____			
	5Grants receivable			
	6Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7Other notes and loans receivable (attach schedule) ▶ _____			
	Less allowance for doubtful accounts ▶ _____			
	8Inventories for sale or use			
	9Prepaid expenses and deferred charges		28,966	28,966
	10aInvestments—U S and state government obligations (attach schedule)	19,135,453	 19,057,773	19,962,085
	bInvestments—corporate stock (attach schedule)	3,103,209	 737,626	737,626
	cInvestments—corporate bonds (attach schedule).	5,465,146	 10,476,268	10,770,458
Liabilities	11Investments—land, buildings, and equipment basis ▶ <u>212,489</u>			
	Less accumulated depreciation (attach schedule) ▶ <u>27,229</u>	177,537	 185,260	
	12Investments—mortgage loans	11,816,315	14,015,163	14,015,163
	13Investments—other (attach schedule)			
	14Land, buildings, and equipment basis ▶ <u>952,773</u>			
	Less accumulated depreciation (attach schedule) ▶ <u>354,964</u>	654,142	 597,809	
	15Other assets (describe ▶ _____)			 15,000,000
	16Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	48,159,839	51,533,062	66,948,494
	17Accounts payable and accrued expenses			
	18Grants payable			
	19Deferred revenue			
	20Loans from officers, directors, trustees, and other disqualified persons			
	21Mortgages and other notes payable (attach schedule)			
	22Other liabilities (describe ▶ _____)	 156,847	 172,071	
	23Total liabilities (add lines 17 through 22)	156,847	172,071	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☒ and complete lines 24 through 26 and lines 30 and 31.			
	24Unrestricted	48,002,992	51,360,991	
	25Temporarily restricted			
	26Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☐ and complete lines 27 through 31.			
	27Capital stock, trust principal, or current funds			
	28Paid-in or capital surplus, or land, bldg , and equipment fund			
	29Retained earnings, accumulated income, endowment, or other funds			
	30Total net assets or fund balances (see page 17 of the instructions)	48,002,992	51,360,991	
	31Total liabilities and net assets/fund balances (see page 17 of the instructions)	48,159,839	51,533,062	

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	48,002,992
2	Enter amount from Part I, line 27a	2	4,009,203
3	Other increases not included in line 2 (itemize) ▶ 	3	657,584
4	Add lines 1, 2, and 3	4	52,669,779
5	Decreases not included in line 2 (itemize) ▶ 	5	1,308,788
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	51,360,991

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)
1 a	INVESTMENTS	P	2009-09-01	2010-08-31
b	TRAILER	P	2004-06-28	2009-09-02
c	LONG-TERM GAIN FROM PASS-THRU ENTITY	P	2009-09-01	2010-08-31
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 13,464,389		13,199,224	265,165
b 1,800	2,863	3,879	784
c 107,146			107,146
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			265,165
b			784
c			107,146
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	373,095
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	265,165

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	2,347,038	44,515,311	0 052724
2007	2,028,286	39,287,414	0 051627
2006	1,977,585	36,507,932	0 054169
2005	2,024,044	38,358,851	0 052766
2004	1,731,987	39,308,714	0 044061

2 Total of line 1, column (d).	2	0 255347
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 051069
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5.	4	61,983,805
5 Multiply line 4 by line 3.	5	3,165,451
6 Enter 1% of net investment income (1% of Part I, line 27b).	6	78,570
7 Add lines 5 and 6.	7	3,244,021
8 Enter qualifying distributions from Part XII, line 4.	8	3,277,284

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

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

1aExempt 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)				
bDomestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b			1	78,570
cAll other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)				
2Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			2	
3Add lines 1 and 2.			3	78,570
4Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			4	
5Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-			5	78,570
6Credits/Payments				
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	106,500	
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		
7Total credits and payments. Add lines 6a through 6d.			7	106,500
8Enter any penalty for underpayment of estimated tax. Check here ☒ if Form 2220 is attached			8	35
9Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed			9	
10Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid.			10	27,895
11Enter the amount of line 10 to be Credited to 2010 estimated tax 27,895 Refunded			11	

Part VII-AStatements Regarding Activities

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?		Yes	No
		1a		No
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)? <i>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.</i>	1b		No
c	Did the foundation file Form 1120-POL for this year?	1c		No
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? <i>If "Yes," attach a detailed description of the activities.</i>	2		No
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? <i>If "Yes," attach a conformed copy of the changes</i>	3		No
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on Form 990-T for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>	5		No
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	Yes	
7	Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	7	Yes	
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? <i>If "No," attach explanation .</i>	8b	Yes	
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)? <i>If "Yes," complete Part XIV</i>	9		No
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	10		No

Part VII-A

Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions).	11		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address WWW EDRACHAL ORG	13	Yes	
14	The books are in care of PAUL D ALTHEIDE Telephone no (361) 881-9040 Located at 500 N SHORELINE 1002 CORPUS CHRISTI TX ZIP+4 78471			
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)?. Organizations relying on a current notice regarding disaster assistance check here. ☐	1b		No
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?.	1c		
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?. 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).	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? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009.</i>).	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
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		No

Part VII-B

Statements Regarding Activities for Which Form 4720 May Be Required (continued)

5a	During the year did the foundation pay or incur any amount to			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes	☒ No	
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	☐ Yes	☒ No	
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes	☒ No	
	(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (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)? Organizations relying on a current notice regarding disaster assistance check here.	5b		
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? <i>If "Yes," attach the statement required by Regulations section 53.4945–5(d).</i>			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <i>If "Yes" to 6b, file Form 8870.</i>	6b		No
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?			
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	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 Additional Data Table				
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 EXPENSES AND CAPITAL IMPROVEMENTS INCURRED IN DEVELOPING A RETREAT CENTER FOR QUALIFYING CIVIC, COMMUNITY AND NOT-FOR-PROFIT ORGANIZATIONS	52,664
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 23 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	41,253,791
b	Average of monthly cash balances.	1b	5,371,930
c	Fair market value of all other assets (see page 24 of the instructions).	1c	16,302,000
d	Total (add lines 1a, b, and c).	1d	62,927,721
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	1e	
2	Acquisition indebtedness applicable to line 1 assets.	2	
3	Subtract line 2 from line 1d.	3	62,927,721
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions).	4	943,916
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	61,983,805
6	Minimum investment return. Enter 5% of line 5.	6	3,099,190

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	3,099,190
2a	Tax on investment income for 2009 from Part VI, line 5.	2a	78,570
b	Income tax for 2009 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	78,570
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	3,020,620
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	3,020,620
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	3,020,620

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	3,224,620
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	52,664
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	3,277,284
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	78,570
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	3,198,714
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			
2	Undistributed income, if any, as of the end of 2008			
a	Enter amount for 2008 only. 880,831			
b	Total for prior years 20____, 20____, 20____			
3	Excess distributions carryover, if any, to 2009			
a	From 2004.			
b	From 2005.			
c	From 2006.			
d	From 2007.			
e	From 2008.			
f	Total of lines 3a through e.			
4	Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 3,277,284			
a	Applied to 2008, but not more than line 2a 880,831			
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. 2,396,453			
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).)			
6	Enter the net total of each column as indicated below:			
a	Corpus Add lines 3f, 4c, and 4e Subtract line 5			
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. 624,167			
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.			
10	Analysis of line 9			
a	Excess from 2005.			
b	Excess from 2006.			
c	Excess from 2007.			
d	Excess from 2008.			
e	Excess from 2009.			

Part XIV

Private Operating Foundations (see 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 organization is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

☐ 4942(j)(3) or ☐ 4942(j)(5)

2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	Tax year	Prior 3 years			(e) Total
		(a) 2009	(b) 2008	(c) 2007	(d) 2006	
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 organization had \$5,000 or more in assets at any time during the year—see page 27 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))

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

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

PAUL D ALTHEIDE
500 N SHORELINE BLVD
CORPUS CHRISTI, TX 78471
(361) 881-9040

b

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

NO SPECIFIED FORM

c

Any submission deadlines

NO SPECIFIED DEADLINES

d

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

LIMITED GEOGRAPHICALLY TO THE STATE OF TEXAS

Part XV

Supplementary Information (continued)

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year See Additional Data Table				
Total			▶ 3a	2,952,251
b Approved for future payment				
Total			▶ 3b	

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1	Program service revenue					
a	_____					
b	_____					
c	_____					
d	_____					
e	_____					
f	_____					
g	Fees and contracts from government agencies					
2	Membership dues and assessments. . . .					
3	Interest on savings and temporary cash investments			14	1,093	
4	Dividends and interest from securities. . . .			14	1,331,473	
5	Net rental income or (loss) from real estate					
a	Debt-financed property.					
b	Not debt-financed property.			16	36,295	
6	Net rental income or (loss) from personal property					
7	Other investment income.			15	6,549,136	
8	Gain or (loss) from sales of assets other than inventory			25	373,095	
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory. .					
	GALVESTON BAY BIODIESEL,	900099	-117,592			
11	Other revenue a LP					
b	STANDARD RENEWABLE ENERGY GRP	900099	151,971			
c	GALVESTON - PASSIVE LOSS CO	900099	-224,515			
d	SREG - PASSIVE LOSS CO	900099	-433,069			
e	_____					
12	Subtotal Add columns (b), (d), and (e). .		-623,205		8,291,092	
13	Total. Add line 12, columns (b), (d), and (e).			13		7,667,887

[illegible]

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations? a Transfers from the reporting foundation to a noncharitable exempt organization of (1) Cash. (2) Other assets. b Other transactions (1) Sales of assets to a noncharitable exempt organization. (2) Purchases of assets from a noncharitable exempt organization. (3) Rental of facilities, equipment, or other assets. (4) Reimbursement arrangements. (5) Loans or loan guarantees. (6) Performance of services or membership or fundraising solicitations. c Sharing of facilities, equipment, mailing lists, other assets, or paid employees. d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received		Yes	No
	1a(1)		No
	1a(2)		No
	1b(1)		No
	1b(2)		No
	1b(3)		No
	1b(4)		No
	1b(5)		No
1b(6)		No	
	1c		No

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

(a) Name of organization	(b) Type of organization	(c) Description of relationship
--------------------------	--------------------------	---------------------------------

Form **990-PF** (2009)

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
MICHAEL LEARY105 HAWTHORNE PL PORTLAND,TX 78374	NONE	EXEMPT	EAGLE SCOUT PROJ - AMERICAN MILITARY	200
ASSN OF SMALL FOUNDATIONS ATTN MEMBERSHIPPO BOX 247 WINOOSKI,VT 05404	NONE	EXEMPT	2010 NATIONAL CONFERENCE	2,500
HOUSTON TECHNOLOGY CENTER ATTN WALTER ULRICH410 PIERCE STREET HOUSTON,TX 77002	NONE	EXEMPT	GULF COAST INNOVATION CONFERENCE	25,000
PREMONT VOLUNTEER FIRE DE ATTN SANTOS W ZELAYAPO BOX 451 FALFURRIAS,TX 78355	NONE	EXEMPT	EQUIPMENT AND TRAINING	200
CORPUS CHRISTI AREA HERITPO BOX 2532 CORPUS CHRISTI,TX 78403	NONE	EXEMPT	MCGLOING HOMESTEAD	3,750
BOY SCOUTS OF AMERICA SO ATTN JOHN BEAUREGARD700 EVERHART TERRACE BLD CORPUS CHRISTI,TX 78411	NONE	EXEMPT	CAMP KARANKAWA/CAPITAL CAMPAIGN	50,000
TEXAS PARKS & WILDLIFE DE ATTN DAVID AVILESPO BOX 1167 MATHIS,TX 78368	NONE	EXEMPT	YOUTH FISHING DERBY	3,500
CASA OF THE COASTAL BEND ATTN PAGE HALLPO BOX 4 CORPUS CHRISTI,TX 78403	NONE	EXEMPT	OPERATIONAL FUNDS/COMPUTER EQUIP	15,000
CASA OF KLEBERG COUNTY ATTN SEANA TOWLERPO BOX 1658 KINGSVILLE,TX 78364	NONE	EXEMPT	RECRUITMENT AND TRAINING	10,000
CORPUS CHRISTI AREA HERITPO BOX 2532 CORPUS CHRISTI,TX 78403	NONE	EXEMPT	MCGLOIN HOMESTEAD	2,500
KINGDOM RANCH ATTN JASON HAMILTONPO BOX 474 SNOOK,TX 77878	NONE	EXEMPT	OPERATIONAL FUNDS	50,000
HIS FATHERS HEART MINISTR ATTU JOSEPH GENTEMPO5715 NORTHWEST CENTRAL DR HOUSTON,TX 77092	NONE	EXEMPT	OPERATIONAL FUNDS	10,000
NUECES COUNTY 4-H TRAP ATTN DEEN LEBERPO BOX 271052 CORPUS CHRISTI,TX 78427	NONE	EXEMPT	PURCHASE SHOTGUN SHELLS	7,500
YWCA OF CORPUS CHRISTI ATTN NANCY WESSON-DODD4601 CORONA DR CORPUS CHRISTI,TX 78411	NONE	EXEMPT	YW-TEENS PROGRAM	6,120
CHAMPIONS FOR LIFE ATTN MICHAEL SWANTNERPO BOX 1066 CORPUS CHRISTI,TX 78403	NONE	EXEMPT	RING OF CHAMPIONS	10,000
Total  3a				2,952,251

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
WOMEN'S SHELTER OF SOUTH ATTN FRANCES WILSONPO BOX 3368 CORPUS CHRISTI,TX 78463	NONE	EXEMPT	EMERGENCY SHELTER AND SUPPORTIVE SER	20,000
DRISCOLL CHILDREN'S HOSPI ATTN GRETCHEN CRUTHIRDS3533 S ALAMEDA CORPUS CHRISTI,TX 78411	NONE	EXEMPT	RENNOVATION OF CHILDREN'S CANCER CEN	40,000
CORPUS CHRISTI AREA COUNC ATTN SUSAN TILLER5151 MCARDLE STREET CORPUS CHRISTI,TX 78411	NONE	EXEMPT	EDUCATIONAL ENHANCEMENT	5,120
GOODWILL INDUSTRIES OF SO ATTN JOHN W OWEN2961 S PORT AVENUE CORPUS CHRISTI,TX 78405	NONE	EXEMPT	WORK 2000 MATCHING FUNDS	10,000
COUNCIL ON FOUNDATIONSP BOX 0021 WASHINGTON,DC 20055	NONE	EXEMPT	GRANT IN LIEU OF MEMBERSHIP DUES	4,540
BOLES CHILDREN'S HOME ATTN DAN HENDLEY7065 LOVE QUINLAN,TX 75474	NONE	EXEMPT	SOLAR POOL HEATING SYSTEM	15,000
BISHOP ELLIOTT SOCIETY ATTN FRANK FULLERPO BOX 368 CORPUS CHRISTI,TX 78403	NONE	EXEMPT	OPERATIONAL FUNDS	2,500
CORPUS CHRISTI AREA HERITPO BOX 2532 CORPUS CHRISTI,TX 78403	NONE	EXEMPT	MCGLOIN HOMESTEAD	3,750
ART COMMUNITY CENTER OF C ATTN DOROTHY KUCERA100 SHORELINE BLVD CORPUS CHRISTI,TX 78401	NONE	EXEMPT	KEEPING HEAD ABOVE WATER	5,000
CONFERENCE OF SOUTHWEST F ATTN MEMBERSHIP DEPARTMENT 624 N GOOD-LATIMER EXPY DALLAS,TX 75204	NONE	EXEMPT	GRANT IN LIEU OF MEMBERSHIP DUES	1,750
DEL MAR COLLEGE FOUNDATIO ATTN PAT TOWNSEND101 BALDWIN BLVD CORPUS CHRISTI,TX 78404	NONE	EXEMPT	SCHOLARSHIPS	100,000
BRAZOS VALLEY CORNERSTONE ATTN LINDA LIGONPO BOX 3882 BRYAN,TX 77805	NONE	EXEMPT	ADDITION OF MIDDLE SCHOOL	25,000
TEXAS A&M UNIVERSITY ATTN HEATHER GUERRERO6300 OCEAN DR UNIT 5746 CORPUS CHRISTI,TX 78412	NONE	EXEMPT	COASTAL BEND ECO - HISTORIC AWARENESS	10,000
TEXAS A&M UNIVERSITY ATTN HEATHER GUERRERO6300 OCEAN DR UNIT 5746 CORPUS CHRISTI,TX 78412	NONE	EXEMPT	HARTE RESEARCH INSTITIUTE SCIENCES T	30,000
ROTARY CLUB OF BOERNE FOU ATTN JOHN D ROGERS1300 S MAIN BOERNE,TX 78006	NONE	EXEMPT	EARLY ACT / FIRST KNIGHT	20,000
Total  3a				2,952,251

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
SEARCH INC ATTU LISA ESTES2505 FANNIN STREET HOUSTON,TX 77002	NONE	EXEMPT	HOUSE OF TINY TREASURES	10,000
THERAPY PET PALS OF TEXAS ATTN KATHRYN LASHMIT3930 BEE CAVE ROAD SUITE AUSTIN,TX 78746	NONE	EXEMPT	RECRUITING, TRAINING AND RETENTION	2,000
ROB AND BESSIE WELDER WIL ATTN DR SELMA GLASSCOCKPO BOX 1400 SINTON,TX 78387	NONE	EXEMPT	SALARY FOR EDUCATOR/PROJECT ASSISTAN	35,000
COASTAL BEND COMMUNITY FD ATTN KENT H WILLIAMS600 LEOPARD SUITE 1716 CORPUS CHRISTI,TX 78473	NONE	EXEMPT	ICE AGE MURALS AND BONES IN SCHOOLS	30,000
BOYS AND GIRLS CLUB OF ED ATTN SABRINA WALKER-HERNANDEZPO BOX 1079 EDINBURG,TX 78540	NONE	EXEMPT	EL PORTAL DEL NORTE	15,000
UNIVERSITY OF TEXAS FOUND ATTN DOUG RATCLIFFPO BOX 250 AUSTIN,TX 78767	NONE	EXEMPT	GEO FORCE	20,000
SALVATION ARMY MAJOR DANIEL NEWPO BOX 2507 CORPUS CHRISTI,TX 78403	NONE	EXEMPT	SURVIVING THE NIGHT/ MOBILE CANTEEN	15,000
FORGE FOR FAMILIES ATTN REBECCA YANEZ3150 YELLOWSTONE BLVD HOUSTON,TX 77054	NONE	EXEMPT	CAPITAL CAMPAIGN	50,000
TEXAS A&M FOUNDATION ATTN JEROME REKTORIK401 GEORGE BUSH DRIVE COLLEGE STATION,TX 77840	NONE	EXEMPT	ROBERT A MOSBACHER, SR GRADUATE FEL	100,000
SOUTH TEXAS PUBLIC BROADC MN DON DUNLAP4455 S PADRE ISLAND DRIV CORPUS CHRISTI,TX 78411	NONE	EXEMPT	CONSTRUCTION OF PERMANENT HOME	50,000
GOOD SAMARITAN RESCUE MIS ATTA CAROLE MURPHREYPO BOX 65 CORPUS CHRISTI,TX 78403	NONE	EXEMPT	HOMELESS SHELTER AND DINER	25,000
JOHN PAUL II HIGH SCHOOL ATTN FATHER PETER MARTINEZ 3036 SARATOGA BLVD CORPUS CHRISTI,TX 78415	NONE	EXEMPT	SCHOLARSHIPS	30,000
ARANSAS COUNTY ISD EDU ATTN SUZANNE RANSLEBENPO BOX 195 ROCKPORT,TX 78381	NONE	EXEMPT	SYMPHONY TICKETS FOR STUDENTS	2,500
BANDINA CHRISTIAN YOUTH C ATTU GENE POLVADO2118 THISTLEROCK LANE SUGAR LAND,TX 77479	NONE	EXEMPT	RENOVATION OF 4 CABINS AND SCHOLARSH	40,000
SEA CITY WORK CAMP ATTN SHIRLEY SYAMKENPO BOX 10449 CORPUS CHRISTI,TX 78460	NONE	EXEMPT	WORK CAMP FOR 2010	5,000
Total  3a				2,952,251

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
TEXAS A&M UNIVERSITY ATTN HEATHER GUERRERO6300 OCEAN DR UNIT 5741 CORPUS CHRISTI,TX 78412	NONE	EXEMPT	ROTC FIELD LEADERSHIP REACTION COURS	60,000
PEEWEE'S PET ADOPTION WOR ATTN ERNIE COCHRAN1307 SARATOGA BLVD CORPUS CHRISTI,TX 78417	NONE	EXEMPT	SPAY/NEUTER PROJECT	10,000
RAPHA INTERNATIONAL ATTN SIDNEY ALLEN402 BLUE SMOKE COURT WEST FORT WORTH,TX 76105	NONE	EXEMPT	EXPANSION OF EXISTING PROGRAMS	25,000
COASTAL BEND BAYS & ESTUA ATTN JAKE HERRING1305 N SHORELINE BLVD CORPUS CHRISTI,TX 78413	NONE	EXEMPT	NUECES DELTA PRESERVE	45,000
CHRISTUS SPOHN HEALTH FD ATTN KAREN BONNER600 ELIZABETH STREET CORPUS CHRISTI,TX 78404	NONE	EXEMPT	DA VINCI ROBOTIC SURGICAL SYSTEM	50,000
PALMER DRUG ABUSE PROGRAM ATTN BRUCE COOPER3104 S ALAMEDA CORPUS CHRISTI,TX 78404	NONE	EXEMPT	YOUNGER GROUP SERVICES	35,000
CORPUS CHRISTI LIGHTHOUSE ATTN SHERRY BOWERSPO BOX 9697 CORPUS CHRISTI,TX 78469	NONE	EXEMPT	ORIENTATION & MOBILITY TRAINING PROG	6,000
RIO GRANDE CHILDREN'S HOM ATTN MONICA SKRZYPINSKI3780 N BENTSEN PALM DR MISSION,TX 78574	NONE	EXEMPT	NEW 12 PASSENGER VAN & FURNITURE	45,800
MISSION OF MERCY ATTN PATTY CLARKP O BOX 8341 CORPUS CHRISTI,TX 78468	NONE	EXEMPT	OPERATIONAL FUNDS	30,000
FALFURRIAS FFA ATTN ROMEO OZUNAPO BOX 589 FALFINRIAS,TX 78355	NONE	EXEMPT	SCHOLARSHIPS	5,000
FIRST BAPTIST CHURCH SCHO ATTN DR STEVEN HARTWICK3115 OCEAN DRIVE CORPUS CHRISTI,TX 78404	NONE	EXEMPT	SCHOLARSHIPS	30,000
TEXAS A&M FOUNDATION ATTN PEGGY SAMSON1234 TAMU COLLEGE STATION,TX 77843	NONE	EXEMPT	CAMPUS VISIT PROGRAM	25,000
TEXAS A&M UNIVERSITY PRES ATTN CHARLES BACKUS4354 TAMU COLLEGE STATION,TX 77843	NONE	EXEMPT	OPERATIONAL FUNDS	50,000
MEDINA CHILDREN'S HOME ATTN JAMES PENLAND21300 STATE HWY 16 NORTH MEDINA,TX 78055	NONE	EXEMPT	CONSTRUCT MULTI-PLEX	100,000
CAMP ARANZAZA ATTN TAMMIE SHELTON5420 FM 1781 ROCKPORT,TX 78382	NONE	EXEMPT	CAMPER SPONSORSHIPS	10,000
Total  3a				2,952,251

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
ASSOCIATION FOR COMMUNITY ATTN DEBORAH GROTFELDT4343 ELIGN HOUSTON,TX 77204	NONE	EXEMPT	HOUSTON PBS LOCAL DOCUMENTARY PROD	50,000
YMCA OF THE COASTAL BEND ATTN JIM SCOVILLE417 S UPPER BROADWAY CORPUS CHRISTI,TX 78401	NONE	EXEMPT	VISION FOR THE FUTURE CAPITAL CAMPGN	20,000
COASTAL BEND KIDNEY FOUND ATTN BECKY GARDNERP O BOX 9172 CORPUS CHRISTI,TX 78469	NONE	EXEMPT	OFFICE ASSISTANT SALARY	7,000
ASSOCIATION FOR COMMUNITY ATTN DEBORAH GROTFELDT4343 ELGIN STREET HOUSTON,TX 77204	NONE	EXEMPT	KUHF HOUSTON PUBLIC RADIO PURCHASE	50,000
A&M CHURCH OF CHRIST ATTN BECKY HIX2475 EARL RUDDER FWY SO COLLEGE STATION,TX 77845	NONE	EXEMPT	SPECIAL PROJECTS ROBERT WALKER	10,000
AMERICAN CANCER SOCIETY ATTN LINDSEY JOHNSON4101 S ALAMEDA CORPUS CHRISTI,TX 78411	NONE	EXEMPT	TRANSPORTATION PROGRAM	10,000
TENNIS SUCCESS ATTN RONALD ELIZONDOP O BOX 71647 CORPUS CHRISTI,TX 78467	NONE	EXEMPT	EDUCATION & MENTORING FOR YOUTH	6,000
DAILY BREAD MINISTRIES ATTN SETH KUEHN700 W HOUSTON SAN ANTONIO,TX 78207	NONE	EXEMPT	PURCHASE REFRIDGERATED TRUCK	25,000
INCARNATE WORD ACADEMY ATTN CONNIE CADENA2920 S ALAMEDA CORPUS CHRISTI,TX 78404	NONE	EXEMPT	TUITION ASSISTANCE - ELEMENTARY	50,000
GOOD SAMARITAN COMMUNITY ATTN YOUTH DEVELOPMENT PROGRAM1600 SALTILLO ST SAN ANTONIO,TX 78207	NONE	EXEMPT	YOUTH DEVELOPMENT PROGRAM	10,000
CHISHOLM TRAIL HERITAGE M ATTN ROBERT OLIVERP O BOX 866 CUERO,TX 77954	NONE	EXEMPT	HISTORIC BUILDING RESTORATION	30,000
MAXINE FLOURNOY THIRD COA ATTN STEVEN C ROEHLPO BOX 8192 CORPUS CHRISTI,TX 78468	NONE	EXEMPT	MUSEUM ROOF REPAIR	30,000
CENTRAL CATHOLIC HIGH SCH ATTN MARY KAY MARTINEZ1403 N ST MARYS STREE SAN ANTONIO,TX 78215	NONE	EXEMPT	BASEBALL STADIUM	38,796
SOUTH TX CHILDREN'S HOME ATTN TODD L ROBERSONP O BOX 1210 BEEVILLE,TX 78104	NONE	EXEMPT	CHAPEL PROJECT	100,000
BROOKS COUNTY FAIR ASSNP O BOX 835 FALFURRIAS,TX 78355	NONE	EXEMPT	CHILDREN'S LIVESTOCK AUCTION	10,000
Total  3a				2,952,251

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
CRAFT TRAINING CENTER CB ATTN DR ANNE J MATULAPO BOX 2527 CORPUS CHRISTI,TX 78403	NONE	EXEMPT	BASEBALL STADIUM SCOREBOARD PROJECT	12,225
GIRLS SOUTS OF SAN JACINT ATTN BETH SHEA3110 SOUTHWEST FREEWAY HOUSTON,TX 77098	NONE	EXEMPT	WASH STATION REPLACEMENT	15,000
CRAFT TRAINING CENTER CB ATTN DR ANNE J MATULAPO BOX 2527 CORPUS CHRISTI,TX 78403	NONE	EXEMPT	BASEBALL STADIUM SCOREBOARD PROJECT	8,000
CRAFT TRAINING CENTER CB ATTN DR ANNE J MATULAPO BOX 2527 CORPUS CHRISTI,TX 78403	NONE	EXEMPT	BASEBALL STADIUM SCOREBOARD PROJECT	90,000
PRESBYTERIAN PAN AMER SCH ATTN REV EDWARD B SEEGERP O BOX 1578 KINGSVILLE,TX 78363	NONE	EXEMPT	SMARTBOARD INTERACTIVE/WHITEBOARD	20,000
BOYS & GIRLS CLUB OF CC ATTN ANNE BAKER3902 GREENWOOD DRIVE CORPUS CHRISTI,TX 78416	NONE	EXEMPT	SUMMER YOUTH PROGRAM	10,000
CENTRAL TX CHILDREN'S HOM ATTN CAROL L LEE1925 CRANE ROAD BUDA,TX 78610	NONE	EXEMPT	FLOOR COVERING & CARPORTS - COTTAGES	25,000
THE CATTERY ATTN SAMANTHA PERSONPO BOX 8575 CORPUS CHRISTI,TX 78468	NONE	EXEMPT	OPERATIONAL FUNDS	5,000
TEXAS A&M FOUNDATION ATTN STUDENT AFFAIRS - CINDY BROWN MUNSON401 GEORGE BUSH DR COLLEGE STATION,TX 77840	NONE	EXEMPT	MSC RENOVATION FLAG ROOM PILLAR	200,000
SUNNY GLEN CHILDREN'S HOM ATTN TERRY MOOREPO BOX 1373 SAN BENITO,TX 78586	NONE	EXEMPT	RE-PAVING PROJECT	50,000
CHEROKEE HOME FOR CHILDRE ATTN DANNY DUGGANPO BOX 295 CHEROKEE,TX 76832	NONE	EXEMPT	PURCHASE A VAN	25,000
TEXAS A&M FOUNDATION401 GEORGE BUSH DR COLLEGE STATION,TX 77840	NONE	EXEMPT	JO ANN WALKER FUND	5,000
LIGHTHOUSE 2911 ATTN RANDY LAYH202 WILLIS ST YOAKUM,TX 77995	NONE	EXEMPT	GED EDUCATION PROGRAM	3,000
LEAD FIRST FOUNDATION CC ATTN GUY NICKLESON500 N SHORELINE BLVD CORPUS CHRISTI,TX 78401	NONE	EXEMPT	YOUTH LEADERSHIP & DEVELOPMENT	2,000
ODYSSEY VISTACARE HOSPICE ATTN SHARON ANDERSON717 N HARWOOD ST 1500 DALLAS,TX 75201	NONE	EXEMPT	PATIENT SPECIAL NEEDS & FINAL WISH	10,000
Total  3a				2,952,251

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
COMMUNITIES IN SCHOOLS ATTN VERONICA R TREVINO PO BOX 331203 CORPUS CHRSTI, TX 78463	NONE	EXEMPT	OPERATIONAL FUNDS	5,000
NATL GUARD ASSN OF TX FD ATTN RAY LINDNER 3706 CRAWFORD AVE AUSTIN, TX 78469	NONE	EXEMPT	MEMORIAL PROJECT	30,000
CAMP OF THE HILLS ATTN MEL BOWMAN 1552 CR 344 MARBLE FALLS, TX 78654	NONE	EXEMPT	UP FROM THE ASHES	50,000
NEHEMIAH CENTER ATTN DIANE SWEAT 5015 FANNIN ST HOUSTON, TX 77004	NONE	EXEMPT	PHASE II CAPITAL CAMPAIGN	50,000
TEXAS RAMP PROJECT ATTN JOHN LAINEP O BOX 832065 RICHARDSON, TX 75083	NONE	EXEMPT	FREE WHEELCHAIR RAMPS FOR NEEDY	20,000
TEXAS A&M INTERNATIONAL ATTN BECK L GARCIA 5201 UNIVERSITY BLVD LAREDO, TX 78401	NONE	EXEMPT	SCHOLARSHIPS	100,000
TEXAS A&M - KINGSVILLE ATTN SANDRA D GARCIA 700 UNIVERSITY BLVD KINGSVILLE, TX 78363	NONE	EXEMPT	SURGICAL ANIMAL RESEARCH FACILITY	100,000
TEXAS CHILDREN'S CANCER C6621 FANNIN ST CC1420 HOUSTON, TX 77030	NONE	EXEMPT	OPERATING FUNDS	5,000
FRIENDS OF CLIFF MAUS VIL ATTN JILL JOHNSON 2727 AIRLINE RD CORPUS CHRISTI, TX 78414	NONE	EXEMPT	PLUMBING DRAIN RE-ROUTE	50,000
CC PUBLIC LIBRARY FOUND ATTN PAIGE DINN 805 COMANCHE ST CORPUS CHRISTI, TX 78401	NONE	EXEMPT	RENOVATION OF GREENWOOD	50,000
HUMBLE ISD EDUC FOUND ATTN JERRI MONBARON PO BOX 2000 HUMBLE, TX 77347	NONE	EXEMPT	CAPTURING KIDS' HEARTS	5,000
ODYSSEY AFTER SCHOOL ENRI ATTN JAIME CUPIT PO BOX 237 ROCKPORT, TX 78381	NONE	EXEMPT	EXPANDING ODYSSEY HORIZONS	20,000
ASSISTANCE LEAGUE OF HOUS ATTN CANDACE KYLE 1902 COMMONWEALTH HOUSTON, TX 77006	NONE	EXEMPT	OPERATION SCHOOL BELL	10,000
CHILDREN'S MUSEUM OF HOUS ATTN MELISSA GARLINGTON 1500 BINZ HOUSTON, TX 77004	NONE	EXEMPT	FAMILY LITERACY INVOLVEMENT PROGRAM	7,500
HALO-FLIGHT ATTN RANDALL S ROWE JR 1843 FM 665 CORPUS CHRISTI, TX 78415	NONE	EXEMPT	PURCHASE A PROJECT 25 COMPLIANT VHF	26,000
Total  3a				2,952,251

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
FOSTER ANGELS OF CENTRAL ATTN SARAH O SMITHPO BOX 152575 AUSTIN,TX 78715	NONE	EXEMPT	ASSISTANCE TO CHILDREN	20,000
TEXAS A&M FOUNDATION401 GEORGE BUSH DR COLLEGE STATION,TX 77840	NONE	EXEMPT	JOANN NOLEN WALKER MEMORIAL SCHOLAR	25,000
DEL MAR COLLEGE FOUNDATIO ATTN PATRICIA A TOWNSEND101 BALDWIN BLVD CORPUS CHRISTI,TX 78404	NONE	EXEMPT	COMMUNITY MUSIC PROJECT	4,000
BISHOP ELLITOTT SOCIETY ATTN FRANK FULLERPO BOX 368 CORPUS CHRISTI,TX 78403	NONE	EXEMPT	OPERATIONAL FUNDS	2,500
Total			▶ 3a	2,952,251

TY 2009 Accounting Fees Schedule

Name: ED RACHAL FOUNDATION

EIN: 74-1116595

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES	19,492	15,594		3,898

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2009 Depreciation Schedule

Name: ED RACHAL FOUNDATION

EIN: 74-1116595

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
PER SCHEDULE			57,373			41,605	41,605		

TY 2009 General Explanation Attachment

Name: ED RACHAL FOUNDATION

EIN: 74-1116595

Identifier	Return Reference	Explanation
GENERAL RETURN INFORMATION		ERF REAL ESTATE, INC , TIN 20-26617 THE ED RACHAL FOUNDATION IT WAS F ED RACHAL FOUNDATION IT HAS THE S RACHAL FOUNDATION THE CONSOLIDATE INCLUDING ACTIVITY OF ERF REAL ESTA
GENERAL ELECTIONS		

**TY 2009 Investments Corporate
Bonds Schedule**

Name: ED RACHAL FOUNDATION
EIN: 74-1116595

Name of Bond	End of Year Book Value	End of Year Fair Market Value
CORPORATE BONDS	10,476,268	10,770,458

**TY 2009 Investments Corporate
Stock Schedule**

Name: ED RACHAL FOUNDATION
EIN: 74-1116595

Name of Stock	End of Year Book Value	End of Year Fair Market Value
MUTUAL FUNDS & EQUITIES	737,626	737,626

TY 2009 Investments Government Obligations Schedule

Name: ED RACHAL FOUNDATION

EIN: 74-1116595

**US Government Securities - End of
Year Book Value:**

19,057,773

**US Government Securities - End of
Year Fair Market Value:**

19,962,085

**State & Local Government
Securities - End of Year Book
Value:**

**State & Local Government
Securities - End of Year Fair
Market Value:**

TY 2009 Investments - Land Schedule

Name: ED RACHAL FOUNDATION

EIN: 74-1116595

Category/ Item	Cost/Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
	212,489	27,229	185,260	

TY 2009 Land, Etc. Schedule

Name: ED RACHAL FOUNDATION

EIN: 74-1116595

Category / Item	Cost / Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
BUILDINGS & EQUIPMENT EXEMPT	865,258	354,964	510,294	
LAND - LA COPA	87,515		87,515	

TY 2009 Legal Fees Schedule

Name: ED RACHAL FOUNDATION

EIN: 74-1116595

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LEGAL FEES	14,786			

TY 2009 Other Assets Schedule

Name: ED RACHAL FOUNDATION

EIN: 74-1116595

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
MINERAL INTEREST			15,000,000

TY 2009 Other Decreases Schedule**Name:** ED RACHAL FOUNDATION**EIN:** 74-1116595

Description	Amount
EXCISE TAX EXPENSE	89,232
UNREALIZED LOSS IN INVESTMENTS	243,809
CONTRIBUTION NOT ALLOWED	16,999
PRIOR YEAR ADJUSTMENT	958,347
NON DEDUCTIBLE EXPENSES	401

TY 2009 Other Expenses Schedule

Name: ED RACHAL FOUNDATION

EIN: 74-1116595

Description	Revenue and Expenses per Books	Net Invest ment Income	Adjusted Net Income	Disbursements for Charitable Purposes
EXPENSES				
AUTO EXPENSE	137	14		123
CONTRACT LABOR	12,992			12,992
FUEL & OIL - LA COPA	3,540			3,540
INSURANCE - AUTO & OFFICE	14,752	3,688		11,064
INSURANCE - LIAB & WRK COMP	128	32		96
INVESTMENT COMMISSION EXPENSE	12,735	12,735		
MISCELLANEOUS	2	2		
OFFICE EXPENSE	12,681	6,340		6,341
OTHER EMPLOYEE EXPENSE	15,596	1,560		14,036
POSTAGE	890	445		445
RANCH SUPPLIES	4,313			4,313
REPAIRS & MAINTENANCE	7,168			7,168
SEMINARS DUES & FEES	3,870	1,935		1,935
SUBSCRIPTIONS	731	365		366
UTILITIES & TELEPHONE - RANCH	4,766			4,766
UTILITIES & TELEPHONE - OTHER	3,858	1,929		1,929
INVESTMENT DEPRECIATION	11,259	11,259		

TY 2009 Other Income Schedule**Name:** ED RACHAL FOUNDATION**EIN:** 74-1116595

Description	Revenue And Expenses Per Books	Net Invest ment Income	Adjusted Net Income
LEASE BONUS & SURFACE DAMAGES	125,645	125,645	125,645
MISCELLANEOUS INCOME	68	68	68
OIL & GAS ROYALTIES	6,423,423	6,423,423	6,423,423
GALVESTON BAY BIODIESEL, LP	-117,592		-117,592
STANDARD RENEWABLE ENERGY GRP	151,971		151,971
GALVESTON - PASSIVE LOSS CO	-224,515		-224,515
SREG - PASSIVE LOSS CO	-433,069		-433,069

TY 2009 Other Increases Schedule

Name: ED RACHAL FOUNDATION

EIN: 74-1116595

Description	Amount
PRIOR YR PARTNERSHIP LOSSES	657,584

TY 2009 Other Liabilities Schedule

Name: ED RACHAL FOUNDATION

EIN: 74-1116595

Description	Beginning of Year - Book Value	End of Year - Book Value
ACCRUED VACATION & SICK LEAVE	156,847	172,071

TY 2009 Other Professional Fees Schedule

Name: ED RACHAL FOUNDATION

EIN: 74-1116595

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
CONSULTING	8,000	400		7,600
CONSULTING - GALVAN	13,470	13,470		

TY 2009 Taxes Schedule

Name: ED RACHAL FOUNDATION

EIN: 74-1116595

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
AD VALOREM TAXES - EXEMPT PROP	2,893	463		2,430
AD VALOREM TAXES - NON EXEMPT PR	95,791	95,791		

Corporate Passive Activity Loss and Credit Limitations

▶ See separate instructions.

▶ Attach to the corporation's tax return (personal service corporations and closely held corporations only).

2009

Name **Ed Rachel Foundation** Employer identification number

Part I 2009 Passive Activity Loss**Caution:** See the instructions and complete Worksheets 1 and 2 before completing Part I.

1a	Current year income (from Worksheet 2, column (a))	1a	151,972	
b	Current year deductions and losses (from Worksheet 2, column (b))	1b	(117,592)	
c	Prior year unallowed losses (from Worksheet 2, column (c))	1c	(657,584)	
d	Combine lines 1a, 1b, and 1c. If the result is net income or zero, see instructions	1d	(623,204.00)	
2	Closely held corporations enter net active income and see instructions. Personal service corporations enter -0- on this line	2	0	
3	Unallowed passive activity deductions and losses. Combine lines 1d and 2. If the result is net income or zero, see the instructions for lines 1d and 3. Otherwise, go to line 4	3	(623,204.00)	
4	Total deductions and losses allowed. Add the income, if any, on lines 1a and 2 and enter the result (see instructions)	4	151,972.00	

Part II 2009 Passive Activity Credits**Caution:** See the instructions and complete Worksheet 5 before completing Part II.

5a	Current year credits (from Worksheet 5, column (a))	5a		
b	Prior year unallowed credits (from Worksheet 5, column (b))	5b		
6	Add lines 5a and 5b	6	0.00	
7	Enter the tax attributable to net passive income and net active income (see instructions)	7		
8	Unallowed passive activity credit. Subtract line 7 from line 6. If the result is zero or less, enter -0-	8	0.00	
9	Allowed passive activity credit. Subtract line 8 from line 6 (see instructions)	9	0.00	

Part III Election To Increase Basis of Credit Property

10 If the corporation disposed of its entire interest in a passive activity or former passive activity in a fully taxable transaction, and the corporation elects to increase the basis of credit property used in that activity by the unallowed credit that reduced the property's basis, check this box (see instructions) ▶ ☐

11 Name of passive activity disposed of ▶ _____

12 Description of the credit property for which the election is being made ▶ _____

13 Amount of unallowed credit that reduced the property's basis ▶ \$ _____

For Paperwork Reduction Act Notice, see separate instructions.

Specific Instructions

Note. Complete Worksheets 1 and 2 before completing Part I of Form 8810

Worksheet 1

Use Worksheet 1 to figure the total current year income, gains, deductions, and losses for each passive activity.

Lines 1 through 4. Enter on these lines the gross receipts and other income from passive activities and passive activity gains reported on Form 4797 and Schedule D (Form 1120)

Line 5. Enter total income on this line and in column (a) of Worksheet 2

Lines 6a through 6l. Enter passive activity deductions

Lines 8 and 9. Enter PALs reported on Schedule D (Form 1120) and Form 4797.

Line 10. Enter total deductions and losses on this line and in column (b) of Worksheet 2.

Gross receipts, gains from the sale of business assets, capital gains, and other passive income should also be entered on the forms and schedules normally used. Allowable passive activity deductions and losses are entered on the forms and schedules after Form 8810 is completed and the deductions and losses are allocated to the activities.

Worksheet 2

Columns (a) and (b). Enter in column (a) the total income for the current year shown on line 5 in Worksheet 1. Enter in column (b) the total deductions and losses shown on line 10 in Worksheet 1.

Column (c). Enter the prior year unallowed losses that can be found in Worksheet 4, column (c) of the 2008 Form 8810 instructions.

Totals. The total from columns (a), (b), and (c) of Worksheet 2 are entered on lines 1a, 1b, and 1c of Form 8810.

Columns (d) and (e). Combine income, deductions, and losses in columns (a) through (c) for each activity. Enter any overall gain in column (d) or any overall loss in column (e). Do not enter the amounts in columns (d) and (e) on Form 8810. These amounts will be used when Form 8810 is completed to figure the loss allowed for the current year.

Worksheet 1—Computation of Income, Gains, Deductions, and Losses for Worksheet 2

	Name of Activity:	Name of Activity:
1. Gross receipts		
2. Schedule D (Form 1120) gains		
3. Form 4797 gains		
4. Other passive income		
5. Total income. Add lines 1 through 4. Enter the result here and in column (a) of Worksheet 2 ▶		
6. Deductions:		
a. Cost of goods sold		
b. Compensation of officers		
c. Salaries and wages		
d. Repairs and maintenance		
e. Bad debts		
f. Rents		
g. Taxes and licenses		
h. Interest		
i. Depreciation		
j. Depletion		
k. Advertising		
l. Other deductions		
7. Total deductions. Add lines 6a through 6l		
8. Schedule D (Form 1120) losses		
9. Form 4797 losses		
10. Total deductions and losses. Add lines 7 through 9. Enter the result here and in column (b) of Worksheet 2 ▶		

Worksheet 2 for Form 8810, Lines 1a, 1b, and 1c

Name of Activity	Current Year		Prior Year	Overall Gain or Loss	
	(a) Income (Line 1a)	(b) Deductions and Losses (Line 1b)	(c) Unallowed Losses (Line 1c)	(d) Gain	(e) Loss
Galveston Bay Biodiesel		117,592.00	224,515.00		342,107.00
Standard Renewable Energy	151,972.00		433,069.00		585,041.00
Totals. Enter on lines 1a, 1b, and 1c of Form 8810 ▶	151,972.00	117,592.00	657,584.00		

STATEMENT S302: Unrelated Business Income from a Partnership

(See Key Issue 12I)

Organization: Ed Rachal Foundation
TIN: 94-1116595
Tax Year Ended: August 31, 2010

Form 990-T, Part I, Line 5

Information related to the above-referenced organization's investment in a partnership:

1. Name of partnership. STANDARD RENEWABLE ENERGY GROUP, LLC
2. Organization's share of partnership's gross income from an unrelated trade or business. \$ 260,225
3. Organization's share of deductions directly related to this income. \$ 17

Calculation of organization's unrelated business taxable income from the partnership (showing only the organization's share of each item):

Gross unrelated business income	<u>\$ 260,225</u>
Deductions directly related to this income	
<u>Contributions</u>	<u>(2)</u>
<u>Amortization</u>	<u>(15)</u>
Net income	<u>260,208</u>
Adjustments, modifications, and limitations	
<u>Interest Income</u>	<u>< 1,091 ></u>
<u>Net long-term capital gain</u>	<u>< 107,146 ></u>
Unrelated business taxable income	<u>\$ 151,971</u>
Passive loss carryover from prior year	<u>< 483,069 ></u>
Passive loss carryforward to August 31, 2011	<u>< 585,040 ></u>

STATEMENT S302: Unrelated Business Income from a Partnership

(See Key Issue 12I)

Organization: Ed Rachin Foundation
TIN: 74-1116595
Tax Year Ended: August 31, 2010

Form 990-T, Part I, Line 5

Information related to the above-referenced organization's investment in a partnership:

1. Name of partnership. BALVESTON Bay BioDiesel, LP
2. Organization's share of partnership's gross income from an unrelated trade or business. \$ <117,590>
3. Organization's share of deductions directly related to this income. \$ -

Calculation of organization's unrelated business taxable income from the partnership (showing only the organization's share of each item):

Gross unrelated business income	<u>\$ <117,590></u>
Deductions directly related to this income	<u>()</u>
	<u>()</u>
Net income	<u><117,590></u>
Adjustments, modifications, and limitations	
<u>Interest Income</u>	<u><0></u>
	<u> </u>
Unrelated business taxable income	<u>\$ <117,590></u>
Passive loss carryover from prior yr	<u><224,515></u>
Passive loss carryforward to August 31, 2011	<u><342,105></u>

Affiliations Schedule

► File with each consolidated income tax return.

OMB No 1545-0025

For tax year ending August 31, 2010

Name of common parent corporation **Ed Rachal Foundation** Employer identification number **74-1116595**
Number, street, and room or suite no. If a P.O. box, see instructions.
500 N. Shoreline Blvd., Suite 1002
City or town, state, and ZIP code
Corpus Christi, TX 78413

Part I Overpayment Credits, Estimated Tax Payments, and Tax Deposits (see instructions)

Corp No	Name and address of corporation	Employer identification number	Portion of overpayment credits and estimated tax payments	Portion of tax deposited with Form 7004
1	Common parent corporation			
	Subsidiary corporations:			
2	ERF Real Estate, Inc.	20-2661759		0
3				
4				
5				
6				
7				
8				
9				
10				
Totals (Must equal amounts shown on the consolidated tax return.)			0.00	0.00

Part II Principal Business Activity, Voting Stock Information, Etc. (see instructions)

Corp No	Principal business activity (PBA)	PBA Code No	Did the subsidiary make any nondividend distributions?		Stock holdings at beginning of year			
			Yes	No	Number of shares	Percent of voting power	Percent of value	Owned by corporation no
1	Common parent corporation Ed Rachal Foundation							
2	Subsidiary corporations: ERF Real Estate, Inc.			X		100%	100%	1
3						%	%	
4						%	%	
5						%	%	
6						%	%	
7						%	%	
8						%	%	
9						%	%	
10						%	%	

Part III Changes in Stock Holdings During the Tax Year

Corp No	Name of corporation	Shareholder of Corporation No	Date of transaction	(a) Changes		(b) Shares held after changes described in column (a)	
				Number of shares acquired	Number of shares disposed of	Percent of voting power	Percent of value
	NOT APPLICABLE					%	%
						%	%
						%	%
						%	%
						%	%
						%	%
						%	%
						%	%

- (c) If any transaction listed above caused either a deconsolidation of a subsidiary or a deconsolidation of any share of subsidiary stock and afterward, any member continued to hold stock of the subsidiary, did the basis of any retained share exceed its value immediately before the deconsolidation? If "Yes," see the instructions for details. ☐ Yes ☐ No
- (d) Is the group deducting a loss recognized on the disposition of the stock of a subsidiary? If "Yes," see the instructions for details, including the statements that must be attached. ☐ Yes ☐ No
- (e) If the equitable owners of any capital stock shown above were other than the holders of record, provide details of the changes.

- (f) If additional stock was issued, or if any stock was retired during the year, list the dates and amounts of these transactions.

Part IV Additional Stock Information (see instructions)

- 1** During the tax year, did the corporation have more than one class of stock outstanding? ☐ Yes ☐ No
 If "Yes," enter the name of the corporation and list and describe each class of stock.

Corp No	Name of corporation	Class of stock

- 2** During the tax year, was there any member of the consolidated group that reaffiliated within 60 months of disaffiliation? ☐ Yes ☐ No
 If "Yes," enter the name of the corporation(s) and explain the circumstances.

Corp. No	Name of corporation	Explanation

- 3** During the tax year, was there any arrangement in existence by which one or more persons that were not members of the affiliated group could acquire any stock, or acquire any voting power without acquiring stock, in the corporation, other than a de minimis amount, from the corporation or another member of the affiliated group? ☐ Yes ☐ No
 If "Yes," enter the name of the corporation and see the instructions for what to enter in Items 3a, 3b, 3c, and 3d.

Corp No.	Name of corporation	Item 3a	Item 3b	Item 3c
		%	%	%
		%	%	%
		%	%	%
		%	%	%

Corp No	Item 3d—Provide a description of any arrangement.

Additional Data

Software ID: 09000034
Software Version: 09550952
EIN: 74-1116595
Name: ED RACHAL FOUNDATION

Form 990PF Part VIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
PAUL D ALTHEIDE	CEO /SEC 40 00	197,500	0	0
500 N SHORELINE 1002 CORPUS CHRISTI, TX 78471				
ROBERT WALKER	VICE CHAIR 4 00	18,000	0	0
500 N SHORELINE 1002 CORPUS CHRISTI, TX 78471				
JOHN D WHITE	BOARD CHAIR 4 00	18,000	0	0
500 N SHORELINE 1002 CORPUS CHRISTI, TX 78471				
RICHARD SCHENDEL	TREASURER 4 00	18,000	0	0
500 N SHORELINE 1002 CORPUS CHRISTI, TX 78471				
DAVID HOYER	MEMBER 4 00	18,000	0	0
2610 PEBBLE BOW SAN ANTONIO, TX 78232				