



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



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

**2010**

Department of the Treasury  
Internal Revenue Service

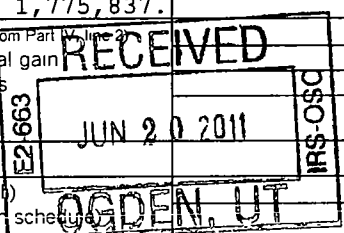
*Note* The foundation may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2010, or tax year beginning , 2010, and ending

**G** Check all that apply  Initial return  Initial Return of a former public charity  Final return  
 Amended return  Address change  Name change

Name of foundation <b>THE ZACHRY FOUNDATION</b>		<b>A</b> Employer identification number <b>74-1485544</b>
Number and street (or P O box number if mail is not delivered to street address) <b>P.O. BOX 240130</b>		<b>B</b> Telephone number (see the instructions) <b>(210) 258-2663</b>
City or town <b>SAN ANTONIO</b>		<b>C</b> If exemption application is pending, check here <input type="checkbox"/>
State ZIP code <b>TX 78224</b>		<b>D 1</b> Foreign organizations, check here <input type="checkbox"/>
<b>H</b> Check type of organization <input type="checkbox"/> Section 501(c)(3) exempt private foundation		<b>2</b> Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
<input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input checked="" type="checkbox"/> Other taxable private foundation		<b>E</b> If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
<b>I</b> Fair market value of all assets at end of year (from Part II, column (c), line 16) <b>\$ 13,683,961.</b>	<b>J</b> Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	<b>F</b> If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
		(Part I, column (d) must be on cash basis)

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>Part I Analysis of Revenue and Expenses</b> (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions))				
<b>REVENUE</b>				
<b>1</b> Contributions, gifts, grants, etc. received (att sch)	950,000.			
<b>2</b> Ck <input type="checkbox"/> if the foundn is not req to att Sch B				
<b>3</b> Interest on savings and temporary cash investments	279,496.	279,496.		
<b>4</b> Dividends and interest from securities	106,156.	106,156.		
<b>5a</b> Gross rents				
<b>b</b> Net rental income or (loss)		L-6a Stmt		
<b>6a</b> Net gain/(loss) from sale of assets not on line 10	-71,501.			
<b>b</b> Gross sales price for all assets on line 6a	1,775,837.			
<b>7</b> Capital gain net income (from Part IV, line 2)		0.		
<b>8</b> Net short-term capital gain				
<b>9</b> Income modifications				
<b>10a</b> Gross sales less returns and allowances				
<b>b</b> Less Cost of goods sold				
<b>c</b> Gross profit/(loss) (att sch)				
<b>11</b> Other income (attach schedule)				
See Line 11 Stmt	-16,998.	-16,998.		
<b>12 Total.</b> Add lines 1 through 11	1,247,153.	368,654.		
<b>ADMINISTRATIVE AND OPERATING EXPENSES</b>				
<b>13</b> Compensation of officers, directors, trustees, etc				
<b>14</b> Other employee salaries and wages				
<b>15</b> Pension plans, employee benefits				
<b>16a</b> Legal fees (attach schedule)				
<b>b</b> Accounting fees (attach sch)				
<b>c</b> Other prof fees (attach sch) L-16c Stmt	30,355.	30,355.		
<b>17</b> Interest				
<b>18</b> Taxes (attach schedule)(see instr) See Line 18 Stmt	449.	449.		
<b>19</b> Depreciation (attach sch) and depletion				
<b>20</b> Occupancy				
<b>21</b> Travel, conferences, and meetings				
<b>22</b> Printing and publications	1,750.	175.		1,575.
<b>23</b> Other expenses (attach schedule) See Line 23 Stmt	4,207.			
<b>24 Total operating and administrative expenses.</b> Add lines 13 through 23	36,761.	30,979.		1,575.
<b>25</b> Contributions, gifts, grants paid	2,241,715.			2,071,715.
<b>26 Total expenses and disbursements.</b> Add lines 24 and 25	2,278,476.	30,979.		2,073,290.
<b>27</b> Subtract line 26 from line 12:				
<b>a Excess of revenue over expenses and disbursements</b>	-1,031,323.			
<b>b Net investment income</b> (if negative, enter 0)		337,675.		
<b>c Adjusted net income</b> (if negative, enter -0)				



SCANNED JUN 21 2011

616

25

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	1,663,749.	550,089.	550,089.
	2	Savings and temporary cash investments	516,230.	516,467.	516,467.
	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 the instructions)			
	7	Other notes and loans receivable (attach sch)			
		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)			
		b Investments – corporate stock (attach schedule) L-10b Stmt	11,150,971.	11,222,266.	12,436,600.
		c Investments – corporate bonds (attach schedule)			
	11	Investments – land, buildings, and equipment basis			
	Less accumulated depreciation (attach schedule)				
12	Investments – mortgage loans				
13	Investments – other (attach schedule) L-13 Stmt		180,805.	180,805.	
14	Land, buildings, and equipment basis				
	Less accumulated depreciation (attach schedule)				
15	Other assets (describe )				
16	<b>Total assets</b> (to be completed by all filers – see instructions Also, see page 1, item I)	13,330,950.	12,469,627.	13,683,961.	
LIABILITIES	17	Accounts payable and accrued expenses			
	18	Grants payable	270,000.	440,000.	
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, & other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe )			
	23	<b>Total liabilities</b> (add lines 17 through 22)	270,000.	440,000.	
NET ASSETS OR FUND BALANCES	<b>Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.</b> <input type="checkbox"/>				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	<b>Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.</b> <input checked="" type="checkbox"/>				
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, building, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	13,060,950.	12,029,627.	
	30	<b>Total net assets or fund balances</b> (see the instructions)	13,060,950.	12,029,627.	
31	<b>Total liabilities and net assets/fund balances</b> (see the instructions)	13,330,950.	12,469,627.		

**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	13,060,950.
2	Enter amount from Part I, line 27a	2	-1,031,323.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	12,029,627.
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	12,029,627.

**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 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
<b>1 a</b> FROST NATIONAL BANK		P	Various	Various
<b>b</b> DIAMOND HILL		P	Various	Various
<b>c</b> ALETHEIA RESEARCH MGMT		P	Various	Various
<b>d</b> NUVEEN		P	Various	Various
<b>e</b> See Columns (a) thru (d)				
(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)	
<b>a</b> 185,754.		171,707.	14,047.	
<b>b</b> 8,346.		0.	8,346.	
<b>c</b> 515,268.		498,768.	16,500.	
<b>d</b> 49,960.		0.	49,960.	
<b>e</b> See Columns (e) thru (h)		1,176,863.	-160,354.	
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than 0-) or Losses (from column (h))	
<b>a</b> 0.	0.	0.	14,047.	
<b>b</b> 0.	0.	0.	8,346.	
<b>c</b> 0.	0.	0.	16,500.	
<b>d</b> 0.	0.	0.	49,960.	
<b>e</b> See Columns (i) thru (l)	0.	0.	-160,354.	
<b>2</b> Capital gain net income or (net capital loss). <span style="float:right">[ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 ]</span>		2	-71,501.	
<b>3</b> Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). <span style="float:right">[ If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0- in Part I, line 8 ]</span>		3		

**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 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 (column (b) divided by column (c))
2009	2,395,584.	11,777,347.	0.203406
2008	3,429,051.	9,988,895.	0.343286
2007	1,954,060.	9,399,967.	0.207879
2006	1,703,607.	10,769,985.	0.158181
2005	5,976,263.	11,632,478.	0.513757
<b>2</b> Total of line 1, column (d)			1.426509
<b>3</b> 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			0.285302
<b>4</b> Enter the net value of noncharitable-use assets for 2010 from Part X, line 5			12,671,793.
<b>5</b> Multiply line 4 by line 3			3,615,288.
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)			3,377.
<b>7</b> Add lines 5 and 6			3,618,665.
<b>8</b> Enter qualifying distributions from Part XII, line 4			2,073,290.

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

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

<b>1 a</b> Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary – see instr.)			
<b>b</b> Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	6,754.
<b>c</b> All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
<b>2</b> Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
<b>3</b> Add lines 1 and 2		3	6,754.
<b>4</b> Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
<b>5 Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-		5	6,754.
<b>6 Credits/Payments:</b>			
<b>a</b> 2010 estimated tax pmts and 2009 overpayment credited to 2010	6a	5,019.	
<b>b</b> Exempt foreign organizations – tax withheld at source	6b		
<b>c</b> Tax paid with application for extension of time to file (Form 8868)	6c	10,000.	
<b>d</b> Backup withholding erroneously withheld	6d		
<b>7</b> Total credits and payments. Add lines 6a through 6d		7	15,019.
<b>8</b> Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached		8	25.
<b>9</b> Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	
<b>10</b> Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		10	8,240.
<b>11</b> Enter the amount of line 10 to be Credited to 2011 estimated tax		11	8,240. Refunded

**Part VII-A Statements Regarding Activities**

	Yes	No
<b>1 a</b> During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
<b>b</b> Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)? If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
<b>c</b> Did the foundation file Form 1120-POL for this year?		X
<b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation \$ _____ (2) On foundation managers \$ _____		
<b>e</b> Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ _____		
<b>2</b> Has the foundation engaged in any activities that have not previously been reported to the IRS? If 'Yes,' attach a detailed description of the activities		X
<b>3</b> Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If 'Yes,' attach a conformed copy of the changes		X
<b>4 a</b> Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
<b>b</b> If 'Yes,' has it filed a tax return on Form 990-T for this year?		X
<b>5</b> Was there a liquidation, termination, dissolution, or substantial contraction during the year? If 'Yes,' attach the statement required by General Instruction T		X
<b>6</b> Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
<b>7</b> Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XV	X	
<b>8 a</b> Enter the states to which the foundation reports or with which it is registered (see the instructions)		
<b>b</b> If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If 'No,' attach explanation	X	
<b>9</b> 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 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? If 'Yes,' complete Part XIV		X
<b>10</b> Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses	X	

**Part VII-A Statements Regarding Activities (Continued)**

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>N/A</u>	13		X
14	The books are in care of <u>Candace Debo</u> Telephone no <u>(210) 588-6382</u> Located at <u>527 Logwood San Antonio TX</u> ZIP + 4 <u>78224-0130</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year <u>15</u>			
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country <u></u>	16	Yes	No X

**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
1 a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see the instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1 b	X
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 2010?	1 c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years <u>20__ , 20__ , 20__ , 20__</u>		
b	Are there any years listed in 2a for which the foundation is <b>not</b> 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 the instructions)	2 b	X
c	If the provisions of section 4942(a)(2) are being applied to <b>any</b> of the years listed in 2a, list the years here <u>20__ , 20__ , 20__ , 20__</u>		
3 a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If 'Yes,' did it have excess business holdings in 2010 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 2010)	3 b	X
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	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 2010?	4 b	X

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

**5a** During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?  Yes  No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?  Yes  No

(3) Provide a grant to an individual for travel, study, or other similar purposes?  Yes  No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see 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 instructions)?  Yes  No

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?  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?  Yes  No

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?  Yes  No

	<b>5b</b>	X
	<b>6b</b>	X
	<b>7b</b>	X

**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 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
J. P. ZACHRY 310 S. ST MARY'S, SUITE 2000 SAN ANTONIO TX 78205	PRESIDENT, TRUSTEE 0.50	0.	0.	0.
CHARLES EBROM 310 S. ST MARY'S, SUITE 2000 SAN ANTONIO TX 78205	TREASURER, TRUSTEE 0.50	0.	0.	0.
MURRAY L. JOHNSON, JR. 310 S. ST MARY'S, SUITE 2000 SAN ANTONIO TX 78205	SECRETARY, TRUSTEE 0.50	0.	0.	0.

**2 Compensation of five highest-paid employees (other than those included on line 1— see 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				
0				
0				
0				
0				

Total number of other employees paid over \$50,000 None

**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 instructions). If none, enter 'NONE.'

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
-----		
-----		
-----		
-----		
-----		
<b>Total</b> number of others receiving over \$50,000 for professional services		None

**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 -----	
2 -----	
3 -----	
4 -----	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

	Amount
1 -----	
2 -----	
All other program-related investments See instructions	
3 -----	
<b>Total.</b> Add lines 1 through 3	

BAA

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

<b>1</b> Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes.		
<b>a</b> Average monthly fair market value of securities	<b>1a</b>	12,221,030.
<b>b</b> Average of monthly cash balances	<b>1b</b>	890,763.
<b>c</b> Fair market value of all other assets (see instructions)	<b>1c</b>	
<b>d Total</b> (add lines 1a, b, and c)	<b>1d</b>	13,111,793.
<b>e</b> Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	
<b>2</b> Acquisition indebtedness applicable to line 1 assets	<b>2</b>	
<b>3</b> Subtract line 2 from line 1d	<b>3</b>	13,111,793.
<b>4</b> Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	<b>4</b>	440,000.
<b>5</b> <b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3 Enter here and on Part V, line 4	<b>5</b>	12,671,793.
<b>6</b> <b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	633,590.

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

<b>1</b> Minimum investment return from Part X, line 6	<b>1</b>	633,590.
<b>2a</b> Tax on investment income for 2010 from Part VI, line 5	<b>2a</b>	6,754.
<b>b</b> Income tax for 2010 (This does not include the tax from Part VI)	<b>2b</b>	
<b>c</b> Add lines 2a and 2b	<b>2c</b>	6,754.
<b>3</b> Distributable amount before adjustments Subtract line 2c from line 1	<b>3</b>	626,836.
<b>4</b> Recoveries of amounts treated as qualifying distributions	<b>4</b>	
<b>5</b> Add lines 3 and 4	<b>5</b>	626,836.
<b>6</b> Deduction from distributable amount (see instructions)	<b>6</b>	
<b>7</b> <b>Distributable amount as adjusted</b> Subtract line 6 from line 5 Enter here and on Part XIII, line 1	<b>7</b>	626,836.

**Part XII** **Qualifying Distributions** (see instructions)

<b>1</b> Amounts paid (including administrative expenses) to accomplish charitable, etc, purposes		
<b>a</b> Expenses, contributions, gifts, etc – total from Part I, column (d), line 26	<b>1a</b>	2,073,290.
<b>b</b> Program-related investments – total from Part IX-B	<b>1b</b>	
<b>2</b> Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	<b>2</b>	
<b>3</b> Amounts set aside for specific charitable projects that satisfy the		
<b>a</b> Suitability test (prior IRS approval required)	<b>3a</b>	
<b>b</b> Cash distribution test (attach the required schedule)	<b>3b</b>	
<b>4</b> <b>Qualifying distributions</b> Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	2,073,290.
<b>5</b> 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 instructions)	<b>5</b>	0.
<b>6</b> <b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	2,073,290.

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

**Part XIII Undistributed Income** (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				626,836.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			581,386.	
b Total for prior years 20 __, 20 __, 20 __				
3 Excess distributions carryover, if any, to 2010.				
a From 2005	5,419,631.			
b From 2006	1,173,803.			
c From 2007	1,495,417.			
d From 2008	2,936,154.			
e From 2009	2,376,357.			
f Total of lines 3a through e	13,401,362.			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 2,073,290.				
a Applied to 2009, but not more than line 2a				
b Applied to undistributed income of prior years (Election required – see instructions)				
c Treated as distributions out of corpus (Election required – see instructions)				
d Applied to 2010 distributable amount				
e Remaining amount distributed out of corpus	2,073,290.			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))	626,836.			626,836.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	14,847,816.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount – see instructions		0.		
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount – see instructions			581,386.	
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see instructions)	4,792,795.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	10,055,021.			
10 Analysis of line 9				
a Excess from 2006	1,173,803.			
b Excess from 2007	1,495,417.			
c Excess from 2008	2,936,154.			
d Excess from 2009	2,376,357.			
e Excess from 2010	2,073,290.			



**Part VII** 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
<p><i>a Paid during the year</i> SEE STATEMENT B SAN ANTONIO SAN ANTONIO TX 78224</p>	NA	NA	NA	2,241,715.
<b>Total</b>				▶ <b>3a</b> 2,241,715.
<p><i>b Approved for future payment</i> See Statement C SAN ANTONIO San Antonio TX 78224</p>		NA	NA	440,000.
<b>Total</b>				▶ <b>3b</b> 440,000.





**Schedule B**  
**(Form 990, 990-EZ,**  
**or 990-PF)**

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ **Attach to Form 990, 990-EZ, or 990-PF**

OMB No 1545-0047

**2010**

Name of the organization

**THE ZACHRY FOUNDATION**

Employer identification number

**74-1485544**

**Organization type** (check one)

**Filers of:**

Form 990 or 990-EZ

**Section:**

- 501(c)(\_\_\_\_) (enter number) organization
- 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
- 527 political organization

Form 990-PF

- 501(c)(3) exempt private foundation
- 4947(a)(1) nonexempt charitable trust treated as a private foundation
- 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**

**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

- For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

**Special Rules**

- For a section 501(c)(3) organization filing Form 990 or 990-EZ, that met the 33-1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ, that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ, that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ▶ \$ \_\_\_\_\_

**Caution:** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF) but it **must** answer 'No' on Part IV, line 2 of their Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

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

**Schedule B** (Form 990, 990-EZ, or 990-PF) (2010)

Name of organization

Employer identification number

THE ZACHRY FOUNDATION

74-1485544

**Part I** Contributors (see instructions.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	ZACHRY INDUSTRIAL, INC. P.O. BOX 240130 SAN ANTONIO TX 78224	\$ 950,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
---	-----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
---	-----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
---	-----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
---	-----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
---	-----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)



Form 990-PF, Page 1, Part I, Line 11

**Line 11 Stmt**

Other income:	Rev/Exp Book	Net Inv Inc	Adj Net Inc
FROST NATIONAL BANK	2,197.	2,197.	
INCUBE VENTURES II	-19,195.	-19,195.	
Total	<u>-16,998.</u>	<u>-16,998.</u>	

Form 990-PF, Page 1, Part I, Line 18

**Line 18 Stmt**

Taxes (see the instructions)	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
PROPERTY TAX	232.	232.		
FOREIGN TAX	217.	217.		
Total	<u>449.</u>	<u>449.</u>		

Form 990-PF, Page 1, Part I, Line 23

**Line 23 Stmt**

Other expenses.	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
Office Expenses	1,707.			
Excise Tax	2,500.			
Total	<u>4,207.</u>			

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income

**Columns (a) thru (d)**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)	(b) How acquired P-Purchase D-Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
KEELEY	P	Various	Various
PIMCO	P	Various	Various

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income

**Columns (e) thru (h)**

(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)
1,014,444.		1,176,863.	-162,419.
2,065.		0.	2,065.
Total		<u>1,176,863.</u>	<u>-160,354.</u>

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income  
**Columns (i) thru (l)**

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (column (h) gain minus column (k), but not less than -0-) or losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
0.	0.	0.	-162,419.
			2,065.
Total	<u>0.</u>	<u>0.</u>	<u>-160,354.</u>

Explanation Statement

Form/Line. Form 990-PF, Page 8, Part X Line 4  
 Explanation of: Minimum Investment Return - Cash Deemed Held for Charity

BRESCOE WESTERN AUTO	\$250,000
CARVER ACADEMY	\$50,000
MADONNA CENTER	\$10,000
SAN ANTONIO SPORTS FOUNDATION	\$10,000
TEACH FOR AMERICA	\$100,000
TRINITY UNIVERSITY	\$20,000
TOTAL:	\$440,000

Form 990-PF, Page 1, Part I  
**Line 16c - Other Professional Fees**

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FROST BANK	INVESTMENT EXPENSE	5,886.	5,886.		
NFS - CASH	INVESTMENT EXPENSE	16,374.	16,374.		
ALETHIA RESEARCH MGMT	INVESTMENT EXPENSE	8,095.	8,095.		
Total		<u>30,355.</u>	<u>30,355.</u>		

Form 990-PF, Page 2, Part II, Line 10b  
**L-10b Stmt**

Line 10b - Investments - Corporate Stock:	End of Year	
	Book Value	Fair Market Value
FROST NATIONAL BANK - BONDS	5,787,249.	6,069,734.
QUANTITATIVE - NFS ACCT	147,786.	147,786.
QUANTITATIVE - THORNBURG	1,217,249.	1,410,265.
ALETHIA RESEARCH MANAGEMENT	1,066,460.	1,241,248.
NUVEEN	1,278,012.	1,591,813.
KEELEY	0.	0.
PIMCO	802,695.	804,509.

Form 990-PF, Page 2, Part II, Line 10b  
L-10b Stmt

Continued

Line 10b - Investments - Corporate Stock:	End of Year	
	Book Value	Fair Market Value
SOUTHERN SUN	457,222.	628,363.
DIAMOND HILL	465,593.	542,882.
Total	<u>11,222,266.</u>	<u>12,436,600.</u>

Form 990-PF, Page 2, Part II, Line 13  
L-13 Stmt

Line 13 - Investments - Other:	End of Year	
	Book Value	Fair Market Value
INCUBE VENTURES II	180,805.	180,805.
Total	<u>180,805.</u>	<u>180,805.</u>

**Supporting Statement of:**

Form 990-PF, p1/Line 1(a)

Description	Amount
ZACHRY INDUSTRIAL, INC.	950,000.
Total	<u>950,000.</u>

**Supporting Statement of:**

Form 990-PF, p1/Line 25(d)

Description	Amount
SEE STMT B	2,071,715.
Total	<u>2,071,715.</u>

**Supporting Statement of:**

Form 990-PF, p2/Line 1(a)

Description	Amount
CASH	1,663,749.
Total	<u>1,663,749.</u>

**Supporting Statement of:**

Form 990-PF, p2/Line 2(a)

Description	Amount
BANK OF AMERICA TRUST	516,230.
Total	<u>516,230.</u>

**Supporting Statement of:**

Form 990-PF, p2/Line 18(a)

Description	Amount
CARVER ACADEMY	100,000.
KIPP ASPIRE ACADEMY	25,000.
OLD SPANISH MISSIONS	50,000.

Continued

**Supporting Statement of:**

Form 990-PF, p2/Line 18(a)

Description	Amount
SAN ANTONIO FOOD BANK	20,000.
ST. ANTHONY CATHOLIC SCHOOL	25,000.
ST. PAUL COMMUNITY CENTER	10,000.
TRINITY UNIVERSITY	40,000.
Total	<u>270,000.</u>

**Supporting Statement of:**

Form 990-PF, p2/Line 1(b)

Description	Amount
CASH	550,089.
Total	<u>550,089.</u>

**Supporting Statement of:**

Form 990-PF, p2/Line 1(c)

Description	Amount
CASH	550,089.
Total	<u>550,089.</u>

**Supporting Statement of:**

Form 990-PF, p2/Line 2(b)

Description	Amount
BANK OF AMERICA TRUST	516,467.
Total	<u>516,467.</u>

**Supporting Statement of:**

Form 990-PF, p2/Line 2(c)

Description	Amount
BANK OF AMERICA TRUST	516,467.
Total	<u>516,467.</u>

**Supporting Statement of:**

Form 990-PF, p2/Line 18(b)

Description	Amount
CARVER ACADEMY	50,000.
BRESCOE WESTERN AUTO	250,000.
SAN ANTONIO SPORTS FOUNDATION	10,000.
TRINITY UNIVERSITY	20,000.
TEACH FOR AMERICA	100,000.
MADONNA CENTER	10,000.
Total	<u>440,000.</u>

**Supporting Statement of:**

Form 990-PF, p3/Part IV, Line 1(e)-1

Description	Amount
FROST	185,754.
Total	<u>185,754.</u>

**Supporting Statement of:**

Form 990-PF, p3/Part IV, Line 1(g)-1

Description	Amount
FROST	171,707.
Total	<u>171,707.</u>

**Supporting Statement of:**

Form 990-PF, p3/Part IV, Line 1(e)-2

Description	Amount
DIAMOND HILL	8,346.
Total	<u>8,346.</u>

**Supporting Statement of:**

Form 990-PF, p3/Part IV, Line 1(g)-2

Description	Amount
DIAMOND HILL	0.
Total	<u>0.</u>

**Supporting Statement of:**

Form 990-PF, p3/Part IV, Line 1(e)-3

Description	Amount
ALETHEIA RESEARCH MGMT	515,268.
Total	<u>515,268.</u>

**Supporting Statement of:**

Form 990-PF, p3/Part IV, Line 1(g)-3

Description	Amount
ALETHEIA RESEARCH MANAGEMENT	498,768.
Total	<u>498,768.</u>

**Supporting Statement of:**

Form 990-PF, p3/Part IV, Line 1(e)-4

Description	Amount
NUVEEN	49,960.
Total	<u>49,960.</u>

**Supporting Statement of:**

Form 990-PF, p3/Part IV, Line 1(g)-4

Description	Amount
NUVEEN	0.
Total	<u>0.</u>

**Supporting Statement of:**

Form 990-PF, p3/Part IV, Line 1(e)-5

Description	Amount
KEELEY	1,014,444.
Total	<u>1,014,444.</u>

**Supporting Statement of:**

Form 990-PF, p3/Part IV, Line 1(g)-5

Description	Amount
KEELEY	1,176,863.
Total	<u>1,176,863.</u>

**Supporting Statement of:**

Form 990-PF, p3/Part IV, Line 1(e)-6

Description	Amount
PIMCO	2,065.
Total	<u>2,065.</u>

**Supporting Statement of:**

Form 990-PF, p3/Part IV, Line 1(g)-6

Description	Amount
PIMCO	0.
Total	<u>0.</u>

**Supporting Statement of:**

Form 990-PF, p4/Line 6c Amount

Description	Amount
paid with extension	10,000.
Total	<u>10,000.</u>

**Supporting Statement of:**

Form 990-PF, p8/Part X, Line 1a

Description	Amount
SEE STMT E	12,221,030.
Total	<u>12,221,030.</u>

**Supporting Statement of:**

Form 990-PF, p8/Part X, Line 1b

Description	Amount
SEE STMT E	890,763.
Total	<u>890,763.</u>

**Supporting Statement of:**

Form 990-PF, p12/Line 3 Column (b)

Description	Amount
BANK OF AMERICA	14,482.
FROST BANK	264,146.
QUANTITATIVE CASH	868.
Total	<u>279,496.</u>

**Supporting Statement of:**

Form 990-PF, p12/Line 4 Column (b)

Description	Amount
FROST NATIONAL BANK	428.

Continued

**Supporting Statement of:**

Form 990-PF, p12/Line 4 Column (b)

Description	Amount
QUANTITATIVE GROUP - CASH	42.
QUANTITATIVE - THORNBURG	13,619.
ALETHEIA RESEARCH MANAGEMENT	15,330.
NUVEEN	26,258.
PIMCO	50,479.
Total	<u>106,156.</u>

**Supporting Statement of:**

Net Gain or Loss From Sale of Assets/Sales Price-1

Description	Amount
ALETHEIA	515,268.
KEELEY	1,014,444.
FROST	185,754.
NUVEEN	49,960.
PIMCO	2,065.
DIAMOND HILL	8,346.
Total	<u>1,775,837.</u>

**Supporting Statement of:**

Net Gain or Loss From Sale of Assets/Cost or other basis-1

Description	Amount
ALETHIA	498,768.
KEELEY	1,176,863.
FROST	171,707.
NUVEEN	
PIMCO	
DIAMOND HILL	
Total	<u>1,847,338.</u>

THE ZACHRY FOUNDATION  
FORM 990-PF  
EMPLOYER ID NO. 74-1485544  
TAX YEAR ENDING DECEMBER 31, 2010

Part VII-A Line 10

Zachry Industrial, Inc.

950,000

P. O. Box 240130

San Antonio, TX 78224-0130

950,000

THE ZACHRY FOUNDATION  
 FORM 990-PF  
 EMPLOYER ID NO 74-1485544  
 TAX YEAR ENDING DECEMBER 31, 2010

Part XV Line 3a

RECIPIENT	IF RECIPIENT IS AN INDIVIDUAL	FOUNDATION STATUS	PURPOSE OF GRANT	AMOUNT
Achievers Center for Education	N/A	Public/Private	Education	2,790
Alamo Community College District, SATx	N/A	Public/Private	Education	5,000
Archdiocese of San Antonio	N/A	Public/Private	Health/Social Services	10,000
Assistance League of San Antonio	N/A	Public/Private	Education	10,000
Avance, SATx	N/A	Public/Private	Health/Social Services	15,000
Ballet San Antonio	N/A	Public/Private	Arts and Humanities	5,000
Barrio Comprehensive Family Health Care Center	N/A	Public/Private	Health/Social Services	25,000
Brescoe Western Auto	N/A	Public/Private	Health/Social Services	250,000
Cactus Pear Music Festival	N/A	Public/Private	Arts and Humanities	3,500
Center for Family Relationships	N/A	Public/Private	Health/Social Services	10,000
Centro del Barrio	N/A	Public/Private	Health/Social Services	25,000
Child Advocates San Antonio	N/A	Public/Private	Health/Social Services	5,000
Children's Association for Maximum Potential, SATx	N/A	Public/Private	Health/Social Services	5,000
Children's Chorus of San Antonio	N/A	Public/Private	Arts and Humanities	5,000
Christian Assistance Ministry	N/A	Public/Private	Health/Social Services	5,000
Communities In Schools-S A , Inc , SATx	N/A	Public/Private	Education	10,000
Community Leadership	N/A	Public/Private	Arts and Humanities	2,000
Daughters of Charity Service, SATx	N/A	Public/Private	Health/Social Services	5,000
Family Service Association, SATx	N/A	Public/Private	Health/Social Services	10,000
Girl Scouts of the San Antonio Area	N/A	Public/Private	Health/Social Services	2,500
House of Neighborly Service	N/A	Public/Private	Health/Social Services	5,000
Kinetic Kids	N/A	Public/Private	Education	10,000
Madonna Neighborhood Center	N/A	Public/Private	Health/Social Services	10,000
McNay Art Museum, SATx	N/A	Public/Private	Arts and Humanities	10,000
Mission Road Developmental Center, SATx	N/A	Public/Private	Health/Social Services	5,425
Our Lady of the Lake University, SATx	N/A	Public/Private	Education	25,000
Respite Care of San Antonio, Inc , SATx	N/A	Public/Private	Health/Social Services	5,000
Riverwalk Jazz	N/A	Public/Private	Arts and Humanities	8,000
Roy Maas' Youth Alternatives, SATx	N/A	Public/Private	Health/Social Services	10,000
Salvation Army, SATx	N/A	Public/Private	Health/Social Services	5,000
San Antonio Children's Museum, SATx	N/A	Public/Private	Education	10,000
San Antonio Christian Hope Center	N/A	Public/Private	Health/Social Services	15,000
San Antonio Clubhouse	N/A	Public/Private	Special	5,000
San Antonio Medical Foundation	N/A	Public/Private	Health/Social Services	5,000
San Antonio Metro Ministries	N/A	Public/Private	Health/Social Services	20,000
San Antonio Parks Foundation	N/A	Public/Private	Arts and Humanities	10,000
San Antonio Sports Foundation	N/A	Public/Private	Special	20,000
San Antonio Symphony, SATx	N/A	Public/Private	Arts and Humanities	50,000
Slew	N/A	Public/Private	Education	5,000
Sports Outdoor and Recreation	N/A	Public/Private	Special	20,000
St Anthony Catholic School	N/A	Public/Private	Education	10,000
St Paul Community Center	N/A	Public/Private	Health/Social Services	(10,000)
Teach for America	N/A	Public/Private	Education	150,000
Texas A&M Foundation	N/A	Public/Private	Education	1,080,000
Texas Public Radio	N/A	Public/Private	Special	5,000
Trinity University, SATx	N/A	Public/Private	Education	143,500
University of Texas at San Antonio	N/A	Public/Private	Education	50,000
University of the Incarnate Word	N/A	Public/Private	Education	25,000
Witte Museum, SATx	N/A	Public/Private	Education	100,000
World Affairs Council of San Antonio, SATx	N/A	Public/Private	Education	4,000
Youth Orchestras of San Antonio, SATx	N/A	Public/Private	Arts and Humanities	20,000
				2,241,715

THE ZACHRY FOUNDATION  
 FORM 990-PF  
 EMPLOYER ID NO. 74-1485544  
 TAX YEAR ENDING DECEMBER 31, 2010

Part XV Line 3b

RECIPIENT	IF RECIPIENT IS AN INDIVIDUAL	FOUNDATION STATUS	PURPOSE OF GRANT	AMOUNT
Brescoe Western Auto	N/A	Public/Private	Education	250,000
Carver Academy	N/A	Public/Private	Education	50,000
Madonna Center	N/A	Public/Private	Health & Social Service	10,000
San Antonio Sports Foundation	N/A	Public/Private	Arts & Humanities	10,000
Teach for America	N/A	Public/Private	Education	100,000
Trinity University	N/A	Public/Private	Health & Social Service	20,000
				<u>440,000</u>

STATEMENT C

ZACHRY FOUNDATION  
 MONTHLY AVERAGE OF SECURITIES  
 CALENDAR YEAR 2010

MONTH	FROST	BANK OF AMERICA	THORNBURG	ALETHEIA	TOTAL
1 00	5,712,568	516,234	4,663,071	868,729	11,760,603
2 00	5,769,212	516,249	4,625,740	879,278	11,789,479
3 00	5,783,098	516,260	4,732,939	944,197	11,976,493
4 00	5,807,678	516,267	4,862,574	1,006,938	12,193,457
5 00	5,866,220	516,287	4,751,734	1,007,440	12,141,681
6 00	5,888,679	516,308	4,513,409	987,941	11,906,336
7 00	5,960,399	516,332	4,554,856	1,007,242	12,038,830
8 00	6,056,978	516,362	4,632,518	1,019,782	12,225,639
9 00	6,075,767	516,388	4,694,250	1,064,891	12,351,296
10 00	6,102,108	516,411	4,870,893	1,137,008	12,626,419
11 00	6,128,709	516,432	4,954,604	1,174,255	12,774,001
12 00	6,092,081	516,454	5,045,006	1,214,583	12,868,124
					<u>146,652,360</u>

PART X LINE 1a /12

12,221,030

ZACHRY FOUNDATION  
 QUANTITATIVE  
 CALENDAR YEAR 2010

MONTH	BEGINNING	ENDING	AVERAGE
1.00	4,728,248	4,597,895	4,663,071
2.00	4,597,895	4,653,585	4,625,740
3.00	4,653,585	4,812,293	4,732,939
4.00	4,812,293	4,912,855	4,862,574
5.00	4,912,855	4,590,613	4,751,734
6.00	4,590,613	4,436,204	4,513,409
7.00	4,436,204	4,673,508	4,554,856
8.00	4,673,508	4,591,528	4,632,518
9.00	4,591,528	4,796,971	4,694,250
10.00	4,796,971	4,944,815	4,870,893
11.00	4,944,815	4,964,393	4,954,604
12.00	4,964,393	5,125,618	5,045,006
			<u>56,901,594</u>
			/12
			<u>4,741,799</u>

ZACHRY FOUNDATION  
 FROST BANK  
 CALENDAR YEAR 2010

MONTH	BEGINNING	ENDING	AVERAGE
1 00	5,691,786	5,733,350	5,712,568
2 00	5,733,350	5,803,074	5,768,212
3 00	5,803,074	5,763,121	5,783,098
4 00	5,763,121	5,852,235	5,807,678
5 00	5,852,235	5,880,206	5,866,220
6 00	5,880,206	5,897,152	5,888,679
7 00	5,897,152	6,023,647	5,960,399
8 00	6,023,647	6,090,308	6,056,978
9 00	6,090,308	6,061,226	6,075,767
10 00	6,061,226	6,142,989	6,102,108
11 00	6,142,989	6,114,429	6,128,709
12 00	6,114,429	6,069,734	6,092,081
		<u>71,242,496</u>	<u>/12</u>
			<u>5,936,875</u>

ZACHRY FOUNDATION  
 ALETHEIA RESEARCH AND MANAGEMENT  
 CALENDAR YEAR 2010

MONTH	BEGINNING	ENDING	AVERAGE
1 00	883,698	853,760	868,729
2 00	853,760	904,796	879,278
3 00	904,796	983,599	944,197
4 00	983,599	1,030,278	1,006,938
5 00	1,030,278	984,602	1,007,440
6 00	984,602	991,279	987,941
7 00	991,279	1,023,206	1,007,242
8 00	1,023,206	1,016,358	1,019,782
9 00	1,016,358	1,113,424	1,064,891
10 00	1,113,424	1,160,592	1,137,008
11 00	1,160,592	1,187,919	1,174,255
12 00	1,187,919	1,241,248	1,214,583
		<u>12,312,286</u>	<u>/12</u>
			<u>1,026,024</u>

ZACHRY FOUNDATION  
 BANK OF AMERICA  
 CALENDAR YEAR 2010

MONTH	BEGINNING	ENDING	AVERAGE
1 00	516,230	516,239	516,234
2 00	516,239	516,260	516,249
3 00	516,260	516,260	516,260
4 00	516,260	516,275	516,267
5 00	516,275	516,298	516,287
6 00	516,298	516,318	516,308
7 00	516,318	516,346	516,332
8 00	516,346	516,377	516,362
9 00	516,377	516,400	516,388
10 00	516,400	516,422	516,411
11 00	516,422	516,443	516,432
12 00	516,443	516,465	516,454
			6,195,984
			/12
			516,332

ZACHRY FOUNDATION  
 BANK OF AMERICA (CHECKING)  
 CALENDAR YEAR 2010

MONTH	BEGINNING	ENDING	AVERAGE
1 00	1,663,748	1,663,961	1,663,854
2 00	1,663,961	1,614,152	1,639,056
3 00	1,614,152	1,582,614	1,598,383
4 00	1,582,614	532,813	1,057,713
5 00	532,813	525,387	529,100
6 00	525,387	356,957	441,172
7 00	356,957	357,012	356,985
8 00	357,012	1,306,482	831,747
9 00	1,306,482	552,750	929,616
10 00	552,750	552,518	552,634
11 00	552,518	537,589	545,053
12 00	537,589	550,089	543,839
			10,689,153
			/12
			890,763

part X Line 1b