25401

Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2010

For calendar year 2010, or tax year beginning 07/01/10 **, and ending** 06/30/11

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: HARTE CHARITABLE FOUNDATION

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

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

A Employer identification number: 45-0489907

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

C If exemption application is pending, check here ▶ [ ]

D 1. Foreign organizations, check here ▶ [ ]
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ [ ]

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ [ ]

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ [ ]

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

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ $ 5,898,972

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

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

	Line	Description	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc , received (attach schedule)				
	2	Check ▶ [X] if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments	60,075	60,075		
	4	Dividends and interest from securities	106,539	104,312		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	273,557			
	b	Gross sales price for all assets on line 6a 1,736,512				
	7	Capital gain net income (from Part IV, line 2)		273,557		
	8	Net short-term capital gain			0	
	9	Income modifications				
	10a	Gross sales less returns & allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	440,171	437,944	0	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	0			
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule) STMT 1	7,540			7,540
	c	Other professional fees (attach schedule) STMT 2	24,392	24,392		
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions) STMT 3	8,941	831		
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (att sch) STMT 4	26			26
	24	**Total operating and administrative expenses.** Add lines 13 through 23	40,899	25,223	0	7,566
	25	Contributions, gifts, grants paid	336,396			336,396
	26	**Total expenses and disbursements.** Add lines 24 and 25	377,295	25,223	0	343,962
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	62,876			
	b	**Net investment income** (if negative, enter -0-)		412,721		
	c	**Adjusted net income** (if negative, enter -0-)			0	

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

			Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing			
	2	Savings and temporary cash investments	217,760	97,740	97,740
	3	Accounts receivable ▶			
		Less allowance for doubtful accounts ▶			
	4	Pledges receivable ▶			
		Less. allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7	Other notes and loans receivable (att schedule) ▶			
		Less allowance for doubtful accounts ▶ 0			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S and state government obligations (attach schedule) STMT 5	180,175	429,917	438,102
	b	Investments—corporate stock (attach schedule) SEE STMT 6	5,921,322	5,854,476	3,993,166
	c	Investments—corporate bonds (attach schedule) SEE STMT 7	1,302,226	1,302,226	1,369,964
	11	Investments—land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach sch) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)			
	14	Land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach sch) ▶			
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	7,621,483	7,684,359	5,898,972
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)			
	23	**Total liabilities** (add lines 17 through 22)	0	0	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here** ▶ ☐ **and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☒ **and complete lines 27 through 31.**			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	7,621,483	7,684,359	
	30	**Total net assets or fund balances** (see page 17 of the instructions)	7,621,483	7,684,359	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	7,621,483	7,684,359	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	7,621,483
2	Enter amount from Part I, line 27a	2	62,876
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	7,684,359
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	7,684,359

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Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a	PUBLICLY TRADED SECURITIES	P		
b	MUTUAL FUND CAPITAL GAIN DIST			
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	1,735,587		1,462,955	272,632
b	925			925
c				
d				
e				

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				272,632
b				925
c				
d				
e				

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 } | 2 | 273,557

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 | 272,632

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))
2009	257,797	6,140,584	0.041982
2008	367,289	5,245,390	0.070021
2007	260,309	7,716,675	0.033733
2006	838,236	9,278,876	0.090338
2005	634,684	9,222,910	0.068816

2	**Total** of line 1, column (d)	2	0.304890
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	0.060978
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	6,233,182
5	Multiply line 4 by line 3	5	380,087
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	4,127
7	Add lines 5 and 6	7	384,214
8	Enter qualifying distributions from Part XII, line 4	8	343,962

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter. (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b	1	8,254
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0
3	Add lines 1 and 2	3	8,254
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	0
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-	5	8,254
6	Credits/Payments		
a	2010 estimated tax payments and 2009 overpayment credited to 2010 — 6a: 4,860		
b	Exempt foreign organizations—tax withheld at source — 6b		
c	Tax paid with application for extension of time to file (Form 8868) — 6c: 12,000		
d	Backup withholding erroneously withheld — 6d		
7	Total credits and payments. Add lines 6a through 6d	7	16,860
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	8,606
11	Enter the amount of line 10 to be **Credited to 2011 estimated tax** ▶ 8,606 **Refunded** ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		X
	If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** *On the foundation.* ▶ $ ______ **(2)** *On foundation managers.* ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ______			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ TX			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities (continued)

		Line	Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

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

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

		Line	Yes	No
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?	16		X
	See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ▶			

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.

			Line	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 22 of the instructions)?	N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	N/A	1c		
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))				
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010?	☐ Yes ☒ No			
	If "Yes," list the years ▶ 20 , 20 , 20 , 20				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see page 22 of the instructions)	N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ 20 , 20 , 20 , 20				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 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)	N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?		4b		X

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? N/A **5b**

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53 4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** No: X

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

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If Yes, did the foundation receive any proceeds or have any net income attributable to the transaction? N/A **7b**

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

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

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

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

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

Total number of other employees paid over $50,000 ▶ 0

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

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

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

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

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

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

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

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

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities	1a	6,192,465
b	Average of monthly cash balances	1b	135,639
c	Fair market value of all other assets (see page 25 of the instructions)	1c	0
d	**Total** (add lines 1a, b, and c)	1d	6,328,104
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e: 0		
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	6,328,104
4	Cash deemed held for charitable activities Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	94,922
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	6,233,182
6	**Minimum investment return.** Enter 5% of line 5	6	311,659

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	311,659
2a	Tax on investment income for 2010 from Part VI, line 5	2a	8,254		
b	Income tax for 2010 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	8,254
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	303,405
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	303,405
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	303,405

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	343,962
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	343,962
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	0
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	343,962

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 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7					303,405
2 Undistributed income, if any, as of the end of 2010					
a Enter amount for 2009 only					
b Total for prior years: 20____ , 20____ , 20____					
3 Excess distributions carryover, if any, to 2010					
a From 2005					
b From 2006	593				
c From 2007					
d From 2008	108,223				
e From 2009					
f **Total** of lines 3a through e		108,816			
4 Qualifying distributions for 2010 from Part XII, line 4. ▶ $ 343,962					
a Applied to 2009, but not more than line 2a					
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)					
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)					
d Applied to 2010 distributable amount					303,405
e Remaining amount distributed out of corpus		40,557			
5 Excess distributions carryover applied to 2010 (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		149,373			
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 2009. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions					
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 page 27 of the instructions)					
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)					
9 **Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a		149,373			
10 Analysis of line 9:					
a Excess from 2006	593				
b Excess from 2007					
c Excess from 2008	108,223				
d Excess from 2009					
e Excess from 2010	40,557				

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 2010, enter the date of the ruling ▶

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

	Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter. (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 **Information Regarding Foundation Managers:**

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

N/A

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

N/A

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

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

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

N/A

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

N/A

c Any submission deadlines

N/A

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

N/A

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
TEXAS A&M UNIVERSITY 6300 OCEAN DRIVE CORPUS CHRISTI TX 78412	NONE	501(C)(3)	CHARITABLE EDUCATION PURPOSE	336,396
Total			▶ 3a	336,396
b Approved for future payment				
N/A				
Total			▶ 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	(b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	(d) Amount	(e) Related or exempt function income (See page 28 of the instructions)
1 Program service revenue.					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	60,075	
4 Dividends and interest from securities			14	106,539	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	273,557	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0		440,171	0

13 **Total.** Add line 12, columns (b), (d), and (e) 13 440,171

(See worksheet in line 13 instructions on page 29 to verify calculations)

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

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

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received

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

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

b If "Yes," complete the following schedule

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

Sign Here

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

[signature] 2-2-12 TREASURER

Signature of officer or trustee | Date | Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☒ if self-employed
WAYNE E. COLLIE	WAYNE E. COLLIE	01/25/12	
Firm's name ▶ WAYNE E. COLLIE, C.P.A.		PTIN	P00079891
Firm's address ▶ 20742 STONE OAK PARKWAY, SUITE 107 SAN ANTONIO, TX 78258-7478		Firm's EIN ▶	74-6256833
		Phone no	210-828-1505

Federal Statements

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
ACCCOUNTING FEES	$ 7,540	$	$	$ 7,540
TOTAL	$ 7,540	$ 0	$ 0	$ 7,540

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FROST NATIONAL BANK-ADVISORY FEE	$ 24,392	$ 24,392	$	$
TOTAL	$ 24,392	$ 24,392	$ 0	$ 0

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FOREIGN INCOME TAXES	$ 831	$ 831	$	$
FEDERAL EXCISE TAXES	8,110			
TOTAL	$ 8,941	$ 831	$ 0	$ 0

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	$	$	$	$
EXPENSES				
MISCELLANEOUS EXPENSE	26			26
TOTAL	$ 26	$ 0	$ 0	$ 26

Federal Statements

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

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
17509.728 FROST LOW DURATION MUNI BD	$ 180,175	$	COST	$
250000 FEDERAL HOME LOAN BKS 4.75%		275,448	COST	283,673
150000 FEDERAL NATL MTG 2.375%		154,469	COST	154,429
TOTAL	$ 180,175	$ 429,917		$ 438,102

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

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
177,200 SHS HARTE HANKS INC.	$ 4,015,352	$ 4,015,352	COST	$ 1,438,864
225 SHS AIR PRODUCTS & CHEMICALS INC	14,456	14,456	COST	21,505
350 SHS ALBEMARLE CORPORATION		16,560	COST	24,220
1100 SHS ALCOA INC		18,403	COST	17,446
160 SHS ALLERGAN INC	17,734	10,913	COST	13,320
500 SHS ALLSTATE CORP	10,077		COST	
50 SHS AMAZON.COM INC	5,894	5,894	COST	10,224
130 SHS AMERICAN EXPRESS CO	10,172	6,629	COST	6,721
500 SHS AMERICAN WATER WORKS CO		14,445	COST	14,725
200 SHS AMERIPRISE FINANCIAL INC		12,450	COST	11,536
350 SHS AMGEN INC	18,834	18,834	COST	20,422
200 SHS ANDARKO PETROLEUM CORP		12,824	COST	15,352
100 SHS APACHE CORP	19,481	9,741	COST	12,339
104 SHS APPLE INC	14,177	14,177	COST	34,910
1200 SHS APPLIED MATERIALS INC	15,660		COST	
450 SHS AQUA AMERICA INC		10,038	COST	9,891
300 SHS AT&T INC		9,348	COST	9,423
100 SHS BAIDU INC		10,972	COST	14,013
90 SHS BARD C R INC	6,979	6,979	COST	9,887
360 SHS BARRICK GOLD CORP	13,309		COST	
500 SHS BB&T CORP		13,560	COST	13,420
250 SHS BCE INC		9,832	COST	9,822
150 SHS BECTON DICKINSON & CO		13,332	COST	12,925
290 SHS BHP BILLITON LTD	13,127	13,127	COST	27,443
200 SHS BORGWARNER INC	10,028	6,685	COST	16,158
650 SHS BRISTOL-MYERS SQUIBB CO	15,619		COST	

Federal Statements

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

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
230 SHS CARDINAL HEALTH INC	$	$ 7,523	COST	$ 10,447
329 SHS CATERPILLAR INC	19,120	10,759	COST	35,025
220 SHS CELGENE CORP	14,232	13,345	COST	13,270
430 SHS CENOVUS ENERGY INC	4,736	11,985	COST	16,194
770 SHS CHESAPEAKE ENERGY CORP	16,403		COST	
250 SHS CHEVRON CORPORATION		25,615	COST	25,710
780 SHS CISCO SYSTEM INC	13,778		COST	
250 SHS COCA COLA CO	12,123	12,123	COST	16,822
285 SHS COGNIZANT TECH SOLUTIONS	13,335	4,929	COST	20,911
763 SHS CONAGRA FOODS INC	18,766		COST	
200 SHS CONOCOPHILLIPS		12,060	COST	15,038
580 SHS CORNING INC	7,822	7,822	COST	10,527
190 SHS COSTCO WHOLESALE CORP	10,669	10,669	COST	15,436
330 SHS CUMMINS INC	18,607	15,402	COST	34,152
250 SHS DEERE & CO COM	16,880	12,274	COST	20,612
300 SHS DIRECTV		10,581	COST	15,246
350 SHS DOW CHEMICAL CO		12,893	COST	12,600
500 SHS E M C CORP MASSACHUSETTS	12,010	6,005	COST	13,775
320 SHS EAST WEST BANCORP		6,608	COST	6,467
200 SHS ECOPETROL SA SPONS ADR		8,526	COST	8,802
590 SHS EMERSON ELECTRIC CO	21,715	18,597	COST	33,187
230 SHS ENCANA CORP	5,029		COST	
200 SHS EOG RESOURCES INC		21,745	COST	20,910
1000 SHS ERICSSON TEL CO		10,970	COST	14,380
277 SHS EXXON MOBIL CORP	30,717	16,629	COST	22,542
100 SHS FEDEX CORP		9,376	COST	9,485
700 SHS FORTINET INC		7,897	COST	19,103
400 SHS FREEPORT-MCMORAN COPPER		21,032	COST	21,160
1080 SHS GENERAL ELECTRIC CO	8,641	18,530	COST	20,369
450 SHS GENTEX CORP	6,419	6,419	COST	13,603
440 SHS GILEAD SCIENCES INC	19,783		COST	
450 SHS GOLDCORP INC	12,680	12,680	COST	21,721
40 SHS GOOGLE INC	13,597	13,597	COST	20,255
450 SHS GREEN MOUNTAIN COFFEE	12,320		COST	
350 SHS HALLIBURTON CO		11,511	COST	17,850
500 SHS HARMAN INTL INDS INC		15,112	COST	22,785
300 SHS HEWLETT PACKARD CO	11,579		COST	

Federal Statements

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

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
300 SHS HOME DEPOT	$ 10,404	$ 9,661	COST	$ 10,866
420 SHS HONEYWELL INTERNATIONAL	5,312	17,188	COST	25,028
308 SHS HSBC HOLDINGS PLC SPON ADR	7,607	7,607	COST	15,283
900 SHS HUDSON CITY BANCORP INC	12,015		COST	
180 SHS HUMANA INC		14,469	COST	14,497
260 SHS ILLINOIS TOOL WORKS INC	19,368	11,137	COST	14,687
440 SHS INGERSOLL-RAND PLC	15,636	15,518	COST	19,980
500 SHS ISHARES RUSSELL 1000 VALUE F	28,005		COST	
1000 SHS ISHARES RUSSELL 2000 INDEX	65,821		COST	
1040 SHS INTEL CORP	23,858	16,829	COST	23,046
130 SHS INTL BUSINESS MACHINES CORP	11,303	11,303	COST	22,301
1500 SHS ISHARES BARCLAYS TIPS BOND	157,735		COST	
500 SHS ISHARES BARCLAYS 20+ YR TREA		48,632	COST	47,050
1970 SHS ISHARES COHEN & STEERS RTY	92,357	51,983	COST	142,845
800 SHS ISHARES MSCI EMERGING MKTS		32,384	COST	38,080
328 SHS JOHNSON & JOHNSON	18,592		COST	
400 SHS JOHNSON CONTROLS INC		14,503	COST	16,664
510 SHS JP MORGAN CHASE & CO	16,153	16,153	COST	20,879
300 SHS KELLOGG CO	16,353	16,353	COST	16,596
500 SHS KENNAMETAL INC	11,282		COST	
200 SHS LAM RESEARCH CORP		9,418	COST	8,856
500 SHS LOWES COS INC	10,405	10,405	COST	11,655
500 SHS MAXIM INTEGRATED PROD INC		13,915	COST	12,780
120 SHS MCDONALDS CORP		9,717	COST	10,118
150 SHS MEDCO HEALTH SOLUTIONS INC		9,682	COST	8,478
400 SHS MEDTRONIC INC	13,455	13,455	COST	15,412
450 SHS MERCK & CO INC	12,012	16,865	COST	15,880
200 SHS METLIFE INC		8,926	COST	8,774
640 SHS MICROSOFT CORP WASHNGTON	11,602		COST	
500 SHS MOLEX INC		13,560	COST	12,885
190 SHS NETAPP INC		10,379	COST	10,028
225 SHS NEXTERA ENERGY INC	10,802		COST	
150 SHS NORDSTROM INC		5,358	COST	7,041
150 SHS NORFOLK SOUTHERN CORP	5,131	5,131	COST	11,239
290 SHS NOVARTIS AG	12,004	12,004	COST	17,722
350 SHS NYSE EURONEXT COM	10,356	10,356	COST	11,994
400 SHS ORACLE CORPORATION	9,883	6,816	COST	13,164

Federal Statements

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

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
170 SHS O'REILLY AUTOMOTIVE INC	$	$ 10,156	COST	$ 11,137
200 SHS PACCAR INC		10,122	COST	10,218
796 SHS PATTERSON UTI ENERGY INC	12,088		COST	
100 SHS PEABODY ENERGY CORP		6,040	COST	5,891
130 SHS PENN WEST ENERGY TRUST		3,355	COST	3,000
265 SHS PEPSICO INC	17,068	14,562	COST	18,664
631 SHS PETROLEO BRASILEIRO SA PETRO	18,090		COST	
650 SHS PFIZER INC	9,216		COST	
274 SHS PHILIP MORRIS INTL INC	12,504	12,504	COST	18,295
130 SHS PRAXAIR INC	9,854	9,854	COST	14,091
50 SHS PRICELINE.COM INC	8,088	4,044	COST	25,596
350 SHS PRINCIPAL FINANCIAL GROUP	8,328		COST	
250 SHS PNC FINANCIAL SERVICES GROUP		14,346	COST	14,902
270 SHS POTASH CORP		12,847	COST	15,387
320 SHS QUALCOMM INC	13,058	13,058	COST	18,173
200 SHS ROCKWELL AUTOMATION INC	9,520	9,520	COST	17,352
250 SHS ROGERS COMMUNICATIONS INC		9,433	COST	9,880
350 SHS RYDER SYSTEM INC		19,119	COST	19,897
110 SHS SAP AG SPON ADR	11,227	4,940	COST	6,671
200 SHS SCHLUMBERGER LIMITED		13,664	COST	17,280
660 SHS SCHWAB CHARLES CORP	9,940		COST	
500 SHS SEADRILL LTD		17,155	COST	17,640
830 SHS SELECT SECTOR FINANCIAL	7,100		COST	
150 SHS SIEMENS AG	14,108		COST	
1450 SHS SOUTHWEST AIRLINES CO	9,872		COST	
150 SHS SPDR GOLD TRUST ETF	16,922		COST	
620 SHS SPECTRA ENERGY CORP	15,518		COST	
300 SHS STARBUCKS CORP	8,411	4,206	COST	11,847
250 SHS STARWOOD HOTELS & RESORTS		13,331	COST	14,010
700 SHS STEEL DYNAMICS INC	10,562		COST	
500 SHS SUN LIFE FINANCIAL		15,584	COST	15,040
300 SHS SUNCOR ENERGY INC		12,216	COST	11,730
665 SHS TAIWAN SEMICONDUCTOR MFG	6,779		COST	
200 SHS TARGET CORP	9,625		COST	
200 SHS TEVA PHARMACEUTICAL INDS		10,030	COST	9,644
250 SHS TIDEWATER INC	10,457		COST	
410 SHS TOTAL SA SPN ADR		21,329	COST	23,714

Federal Statements

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

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
300 SHS UNION PACIFIC CORP	$ 18,863	$ 18,863	COST	$ 31,320
150 SHS UNITED TECHNOLOGIES CORP		13,066	COST	13,277
620 SHS VALE SA SP ADR	9,276		COST	
80 SHS VISA INC		6,396	COST	6,741
70 SHS VMWARE INC		6,465	COST	7,016
230 SHS VODAFONE GROUP PLC	4,771	4,771	COST	6,146
590 SHS WEATHERFORD INTERNATIONAL	7,440		COST	
500 SHS WELLS FARGO & CO	16,023		COST	
300 SHS YUM! BRANDS INC	10,259	9,685	COST	16,572
210 SHS 3M CO		16,380	COST	19,919
28360.573 SHS FROST INTL EQUITY FUND	171,946	159,060	COST	266,306
1077.844 SHS INVESCO DEV MKTS FUND		36,140	COST	36,086
3355.997 SHS IVY GLOBAL NAT RESOURCE	58,137	58,137	COST	74,604
5087.176 SHS MAINSTAY CONVER FUND I	59,316	59,316	COST	85,108
9202.454 SHS FROST DIVIDEND VALUE EQ	75,276		COST	
9445.065 SHS FROST SMALL CAP EQUITY	42,465	57,406	COST	94,734
1923.077 SHS TROWE PRICE INTL DISCVY	69,904	69,904	COST	88,500
TOTAL	$ 5,921,322	$ 5,854,476		$ 3,993,166

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

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
300,000 BEAR STEARNS COMPANY INC	$ 292,800	$ 292,800	COST	$ 308,367
250,000 CME GROUP INC	251,968	251,968	COST	272,015
250,000 GLAXOSMITHKLINE CAPITAL INC	260,000	260,000	COST	272,155
200,000 PROCTOR & GAMBLE CO	200,698	200,698	COST	213,446
300,000 WACHOVIA CORPORATION	296,760	296,760	COST	303,981
TOTAL	$ 1,302,226	$ 1,302,226		$ 1,369,964

Federal Statements

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

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

Federal Statements

Taxable Interest on Investments

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code	US Obs ($ or %)
CHARLES SCWAB CASH ACCOUNT	$ 3		14		
FROST NATIONAL BANK	61,210		14		
INTEREST PURCHASED	-1,138		14		
TOTAL	$ 60,075				

Tax-Exempt Dividends from Securities

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code	InState Muni ($ or %)
FROST LOW DURATION MUNI BOND	$ 2,227		14		
TOTAL	$ 2,227				

Taxable Dividends from Securities

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code	US Obs ($ or %)
CHARLES SCHWAB	$ 54,932		14		
FROST NATIONAL BANK	49,380		14		
TOTAL	$ 104,312				

HARTE CHARITABLE FOUNDATION
EIN: 45-0489907
FYE 06/30/11

Form 990-PF, Part XII, Line 3b

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

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

HARTE CHARITABLE FOUNDATION
EIN: 45-0489907
FYE 06/30/11

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

Tax Year	Distributable Amount
Year 1, FYE 06/30/2004	54,325
Year 2, FYE 06/30/2005	460,177
Year 3, FYE 06/30/2006	458,338
Year 4, FYE 06/30/2007	462,167
Year 5, FYE 06/30/2008	379,448
Year 6, FYE 06/30/2009	260,668
Year 7, FYE 06/30/2010	302,169
	2,377,292

HARTE CHARITABLE FOUNDATION
EIN: 45-0489907
FYE 06/30/11

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

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

HARTE CHARITABLE FOUNDATION
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FYE 06/30/11

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

Date	Payee	Amount of Distribution
Year 6 FYE 06/30/09 (continued)		
06/30/09	Friends of HRI	2,500
06/30/09	Charitable expenses	9,646
Year 7 FYE 06/30/10		
07/24/09	Texas A&M Corpus Christi	10,075
11/02/09	Texas A&M Corpus Christi	5,337
12/21/09	Texas State University San Marcos	100,000
03/12/10	Texas A&M Corpus Christi	12,500
03/10/10	Texas A&M Corpus Christi	122,319
06/30/10	Charitable expenses	7,566
Year 8 FYE 06/30/11		
07/01/10	Texas A&M Corpus Christi	122,319
07/31/10	Texas A&M Corpus Christi	18,303
09/30/10	Texas A&M Corpus Christi	5,024
04/30/11	Texas A&M Corpus Christi	190,750
06/30/11	Charitable expenses	7,566
		2,830,306