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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

2011

For calendar year 2011 or tax year beginning

, and ending

Name of foundation THE VANDAL & WINIFRED MERCER TEXAS A & M EDUCATIONAL FOUNDATION		A Employer identification number 76-0472391
Number and street (or P.O. box number if mail is not delivered to street address) C/O FROST BANK TRUST DEPT, PO BOX 8210		B Telephone number (409) 770-5665
City or town, state, and ZIP code GALVESTON, TX 77553-8210		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 1,438,201. (Part I, column (d) must be on cash basis.)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____		

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))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received					
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		77.	77.	77.	STATEMENT 1
4 Dividends and interest from securities		30,292.	30,292.	30,292.	STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		6,465.			
b Gross sales price for all assets on line 6a		6,465.			
7 Capital gain net income (from Part IV, line 2)			6,465.		
8 Net short-term capital gain				0.	
9 Income modifications				75,746.	
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income		3,959.	3,959.	3,959.	STATEMENT 3
12 Total. Add lines 1 through 11		40,793.	40,793.	110,074.	
13 Compensation of officers, directors, trustees, etc		32,424.	12,814.	12,814.	19,610.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees STMT 4		1,250.	625.	625.	625.
c Other professional fees STMT 5		75.	75.	75.	0.
17 Interest					
18 Taxes STMT 6		1,464.	861.	861.	0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 7		91.	91.	91.	0.
24 Total operating and administrative expenses. Add lines 13 through 23		35,304.	14,466.	14,466.	20,235.
25 Contributions, gifts, grants paid		82,500.			82,500.
26 Total expenses and disbursements. Add lines 24 and 25		117,804.	14,466.	14,466.	102,735.
27 Subtract line 26 from line 12		-77,011.			
a Excess of revenue over expenses and disbursements			26,327.		
b Net investment income (if negative, enter -0-)					
c Adjusted net income (if negative, enter -0-)				95,608.	

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing				
	2	Savings and temporary cash investments		82,492.	80,619.	80,619.
	3	Accounts receivable ▶ 11.				
		Less allowance for doubtful accounts ▶		3.	11.	11.
	4	Pledges receivable ▶				
		Less allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons				
	7	Other notes and loans receivable ▶				
		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				
	b	Investments - corporate stock				
	c	Investments - corporate bonds				
Liabilities	11	Investments - land, buildings, and equipment basis ▶				
		Less accumulated depreciation ▶				
	12	Investments - mortgage loans				
	13	Investments - other STMT 9	1,294,924.	1,294,924.	1,338,163.	
	14	Land, buildings, and equipment basis ▶				
		Less accumulated depreciation ▶				
	15	Other assets (describe ▶ STATEMENT 10)	4.	604.	19,408.	
	16	Total assets (to be completed by all filers)	1,377,423.	1,376,158.	1,438,201.	
	17	Accounts payable and accrued expenses				
	18	Grants payable				
Net Assets or Fund Balances	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable				
	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 ▶ <input type="checkbox"/>					
	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 ▶ <input checked="" type="checkbox"/>					
	and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds	0.	0.		
28	Paid-in or capital surplus, or land, bldg, and equipment fund	0.	0.			
29	Retained earnings, accumulated income, endowment, or other funds	1,377,423.	1,376,158.			
30	Total net assets or fund balances	1,377,423.	1,376,158.			
31	Total liabilities and net assets/fund balances	1,377,423.	1,376,158.			

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)	1,377,423.
2	Enter amount from Part I, line 27a	-77,011.
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 8	75,746.
4	Add lines 1, 2, and 3	1,376,158.
5	Decreases not included in line 2 (itemize) ▶	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	1,376,158.

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 CAPITAL GAINS DIVIDENDS					
b					
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 6,465.			6,465.		
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))		
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any			
a			6,465.		
b					
c					
d					
e					
2 Capital gain net income or (net capital loss)			2	6,465.	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)			3	0.	

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 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))
2010	101,712.	1,695,324.	.059996
2009	102,126.	1,250,535.	.081666
2008	114,793.	1,414,947.	.081129
2007	96,333.	1,577,901.	.061051
2006	86,997.	1,506,476.	.057749
2 Total of line 1, column (d)			2 .341591
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 .068318
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5			4 1,428,238.
5 Multiply line 4 by line 3			5 97,574.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 263.
7 Add lines 5 and 6			7 97,837.
8 Enter qualifying distributions from Part XII, line 4			8 102,735.

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.

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

1a 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 instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	263.
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	263.
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	263.
6 Credits/Payments			
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	600.	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	600.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> 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	337.	
11 Enter the amount of line 10 to be Credited to 2012 estimated tax <input type="checkbox"/> 0. Refunded <input checked="" type="checkbox"/>	11	337.	

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?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see 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
1c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ 0. (2) On foundation managers <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ 0.		
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.		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		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		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?	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.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> 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	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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? If "Yes," complete Part XIV	X	
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

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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 make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X	
14	The books are in care of ► FROST NATIONAL BANK TRUST DEPT. Located at ► P. O. BOX 8210, GALVESTON, TX	Telephone no	► 409-770-5665	
		ZIP+4	► 77553	
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			
16	At any time during calendar year 2011, 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 ►	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
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? <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 instructions)? Organizations relying on a current notice regarding disaster assistance check here N/A ► <input type="checkbox"/>	1b	
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 2011?	1c	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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ►		
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 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 ►		
3a	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 2011 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 2011.) 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 2011?	4b	X

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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)?

☐ 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)?

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

6b

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

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

7b

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

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.

(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
FROST NATIONAL BANK	TRUSTEE			
P. O. BOX 8210				
GALVESTON, TX 775538210	4.00	32,424.	0.	0.
ALBERT SHANNON	DIRECTOR			
FROST NATIONAL BANK, P. O. BOX 179				
GALVESTON, TX 775538210	0.16	0.	0.	0.
KATHERINE KONKEL	DIRECTOR			
FROST NATIONAL BANK, P. O. BOX 179				
GALVESTON, TX 775538210	0.16	0.	0.	0.
JOHN R. SULLIVAN	DIRECTOR			
P. O. BOX 131486				
HOUSTON, TX 77219	0.16	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). 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

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

3 Five highest-paid independent contractors for professional services. 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 0

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 SEE STATEMENT 11	102,735.
2	
3	
4	

Part IX-B Summary of Program-Related Investments

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 instructions	
3	
Total. Add lines 1 through 3	0.

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see 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	1,344,555.
b	Average of monthly cash balances	1b	86,014.
c	Fair market value of all other assets	1c	19,419.
d	Total (add lines 1a, b, and c)	1d	1,449,988.
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	1,449,988.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	21,750.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,428,238.
6	Minimum investment return. Enter 5% of line 5	6	71,412.

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)

1	Minimum investment return from Part X, line 6	1	
2a	Tax on investment income for 2011 from Part VI, line 5	2a	
b	Income tax for 2011 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	

Part XII Qualifying Distributions (see 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	102,735.
b	Program-related investments - total from Part IX-B	1b	0.
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	102,735.
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	5	263.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	102,472.

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)

N/A

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only				
b Total for prior years				
3 Excess distributions carryover, if any, to 2011				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f Total of lines 3a through e				
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$				
a Applied to 2010, 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 2011 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount - see instructions				
e Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount - see instr				
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)				
8 Excess distributions carryover from 2006 not applied on line 5 or line 7				
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, 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)

	Prior 3 years				(e) Total
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	71,412.	84,766.	62,527.	70,747.	289,452.
b 85% of line 2a	60,700.	72,051.	53,148.	60,135.	246,034.
c Qualifying distributions from Part XII, line 4 for each year listed	102,735.	101,712.	102,377.	115,210.	422,034.
d Amounts included in line 2c not used directly for active conduct of exempt activities	0.	0.	0.	0.	0.
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c	102,735.	101,712.	102,377.	115,210.	422,034.
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test - enter					
(1) Value of all assets					0.
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					0.
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed	47,608.	56,511.	41,685.	47,165.	192,969.
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)					0.
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					0.
(3) Largest amount of support from an exempt organization					0.
(4) Gross investment income					0.

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 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))

NONE

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

NONE

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

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see 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

FROST NATIONAL BANK, TRUSTEE, (409) 770-5665
P.O. BOX 8210, GALVESTON, TX 775538210

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

SEE ATTACHED APPLICATION

c Any submission deadlines

APPLICATIONS ACCEPTED JANUARY 1 THROUGH MARCH 31 OF EACH YEAR

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

NEEDY/WORTHY STUDENTS, TEXAS RESIDENTS, GRADUATE OF TX HIGH SCHOOL, ATTEND TEXAS A & M UNIVERSITY

THE VANDAL & WINIFRED MERCER TEXAS
A & M EDUCATIONAL FOUNDATION

Form 990-PF (2011)

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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				
STUDENT LOANS (SEE ATTACHED SCHEDULE)	NONE	N/A	EDUCATIONAL	82,500.
Total			3a	82,500.
b Approved for future payment				
NONE				
Total			3b	0.

Form 990-PF (2011)

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1 Program service revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
f _____					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	77.	
4 Dividends and interest from securities			14	30,292.	
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			15	3,959.	
8 Gain or (loss) from sales of assets other than inventory			14	6,465.	
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.		40,793.	0.
13 Total. Add line 12, columns (b), (d), and (e)				13	40,793.

(See worksheet in line 13 instructions to verify calculations)

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

[illegible]

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.		

[illegible]

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

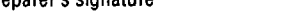
b If "Yes," complete the following schedule		
(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

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) is based on all information of which preparer has any knowledge.

Sign Here  15-10-12 

Signature of officer or trustee Date Title

May the IRS discuss this return with the preparer shown below (see Instr.)? ☒ Yes ☐ No

Paid Preparer Use Only	Print/type preparer's name JOHN R. MCKENNA, JR.	Preparer's signature 	Date 5.9.12	Check <input type="checkbox"/> if self-employed	PTIN P00618649
	Firm's name ▶ HEAD, MAXWELL & MCKENNA, P.C.			Firm's EIN ▶ 76-0354302	
	Firm's address ▶ 2200 MARKET STREET, SUITE 401 GALVESTON, TX 77550			Phone no (409) 763-6479	

VANDAL & WINIFRED MERCER TAMU FOUNDATION

c/o Frost National Bank

P O Box 8210, Galveston, TX 77553-8210

(409) 770-5665

APPROVED DISAPPROVED

**INTEREST FREE
STUDENT LOAN APPLICATION**

Applicant Data

Full Name (Last, First, Middle): _____ Birth Date: _____
Billing Address: _____ Citizenship: _____
City: _____ State: _____ Zip Code: _____
Social Security No.: _____ Telephone No.: _____
Permanent Address: _____ Years There: _____
City: _____ State: _____ Zip Code: _____
Marital Status: _____ Spouses Name: _____

Educational Data

Name of Texas high school attended: _____
Location of high school: _____ Date of high school graduation: _____
TAMU campus you plan to attend: _____
College classification for the upcoming fall/spring school term (Fr, Soph, Jr, Sr): _____
Major: _____ Anticipated Graduation Date (Month/Year): _____
Degree to be attained: _____ Career Plans: _____

List any previous colleges or universities attended and any degrees you have received:

Loan Data

The maximum loan amount is \$2,500.00 per year with required minimum repayments of \$25.00 per month.

Fall 2012 \$ _____ Spring 2013 \$ _____ Total Amount requested \$ _____

Have you ever defaulted on a student loan, or any other loan? _____

Co-signer Information

We require two co-signers to guarantee each loan. Married persons living in the same household count as one co-signer. There are no exceptions to this policy. Please refer to the brochure rules and guidelines for complete co-signer requirements. Your application will not advance without meeting the co-signer requirements.

FATHER	(1)	MOTHER
Full Name: _____		_____
Home Address: _____		_____
City, State, Zip: _____		_____
Occupation: _____		_____
Employer: _____		_____
Social Security No.: _____		_____
Date of Birth: _____		_____
Will your father co-sign on this loan? _____		Will your mother co-sign this loan? _____

Required Additional Co-Signer: _____ (2)

Full Name: _____
Home Address: _____
City: _____ State: _____ Zip Code: _____
Occupation: _____ Employer: _____
Social Security No.: _____ Date of Birth: _____

References

Include a letter from both references with your application.

Personal Reference - Name: _____
Address, City, State, Zip: _____
Faculty Reference - Name: _____
Address, City, State, Zip: _____

Tuition and Fees	\$ _____
Books and Supplies	\$ _____
Housing	\$ _____
Living Costs (child care, food, clothing)	\$ _____
Travel	\$ _____

Summary

Total Estimated Expenses	\$ _____
Total Estimated Income	\$ _____
Balance Needed	\$ _____

Savings	\$	
Employment	\$	
Aid from relatives	\$	
Scholarships		
(detail below)	\$	
Loans	\$	

Other \$_____

List all organizations to which you have applied or intend to apply for scholarships, grants, and loans for this academic year and indicate the disposition of each application.

[illegible]

(Date)

THE VANDAL & WINIFRED MERCER TEXAS A & M EDUCATIONAL FOUNDATION
76-0472391

Form 990-PF, Part XV

Line 3 (a), Loans Made During the Year

GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR ENDING DECEMBER 31, 2011

NAME	ADDRESS	AMOUNT
Aldrete, Stephanie A	6911 Northhampton Way Houston, TX 77055	\$ 2,500 00
Beanland, Kyle S	13217 4 1/2 Street Sante Fe, TX 77510	2,500 00
Brademan, Cameron G	P O Box 36 Lexington, TX 78947	2,500 00
Clark, Jessica K	3019 Beluche Drive Galveston, TX 77551	2,500 00
Cordaro, Christina R	14 Garland Grove Place The Woodlands, TX 77381	2,500 00
Daugherty, McKensie N	6811 Singleton Road Midlothian, TX 76065	2,500 00
Dearman, Charlotte W	46 W Dansby Drive Galveston, TX 77551	2,500 00
Fullen, Valerie J	3502 Larkspur Court Galveston, TX 77551	2,500 00
Gase, Cassidy J	2337 River Bluff Circle Pipe Creek, TX 78063	2,500 00
Gutierrez, Nicholas J	209 Agnes Street El Campo, TX 77437	2,500 00
Hammond, Robyn L	37 Ranch House Loop Angleton, TX 77515	2,500 00
Hartwick, Landon A	202 Pinewood Trail Forney, TX 75126	2,500 00
Hatherill, Lucille S	7121 Spanish Grant Galveston, TX 77554	2,500 00
Jay, Spencer A	147 CR 4108 Jacksonville, TX 75766	2,500 00
Jerome, Caroline A	7035 Limerick Drive Beaumont, TX 77706	2,500 00
Kulhanek, Kristy L	1647 Ehlinger Road Fayetteville, TX 78940	2,500 00
Lawrence, Brittany E	1303 Oak Hollow Drive Friendswood, TX 77546	2,500 00

**THE VANDAL & WINIFRED MERCER TEXAS A & M EDUCATIONAL FOUNDATION
76-0472391**

Form 990-PF, Part XV

Line 3 (a), Loans Made During the Year

GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR ENDING DECEMBER 31, 2011

NAME	ADDRESS	AMOUNT
Letnich, Matthew C	2225 103rd Street Galveston, TX 77554	2,500 00
Lutz, Austin G	4810 Renies Court Needville, TX 77461	2,500 00
Medina, Jennifer A	2704 Colonial Drive Dickinson, TX 77539	2,500 00
Mencacci, Lee A	1512 Driftwood Lane Galveston, TX 77551	2,500 00
Morgan, Brandi R	6107 Greenmont Houston, TX 77092	2,500 00
Nemec, Ryan C	16806 Village Corner Court Houston, TX 77059	2,500 00
Oldiges, Marissa C	11819 Meadowview Drive Cypress, TX 77429	2,500 00
Osullivan, Hannah L	1618 Winyfield Drive Deer Park, TX 77536	2,500 00
Ott, Erik C	4306 Sherman Galveston, TX 77550	2,500 00
Parks, Regis S	355 Dewbre Road Marble Falls, TX 78654	2,500 00
Petito, Taylor K	3213 Edgewood Drive Killeen, TX 76542	2,500 00
Pratt, Cody S	25 Ellis Road League City, TX 77573	2,500 00
Sablatura, Kohen L	59 Sterling Street Sugar Land, TX 77479	2,500 00
Thaler, Kelsie E	7405A Hwy 75 S Huntsville, TX 77340	2,500 00
Walker, Kaitlyn E	3403 Del Norte Drive Baytown, TX 77521	2,500 00
Winkler, Tyler S	3414 Meadow Creek Lane Temple, TX 76504	2,500 00
		<u>\$ 82,500 00</u>

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
AIM SHORT TERM TREASURY PORTFOLIO	9.
FEDERATED PRIME OBLIGATION FUND	68.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	77.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
FROST KEMPNER MULTI-CAP DEEP VALUE EQUITY FUND	13,153.	0.	13,153.
FROST KEMPNER TREASURY & INCOME FUND	23,604.	6,465.	17,139.
TOTAL TO FM 990-PF, PART I, LN 4	36,757.	6,465.	30,292.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
ROYALTY INCOME	3,959.	3,959.	3,959.
TOTAL TO FORM 990-PF, PART I, LINE 11	3,959.	3,959.	3,959.

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FORM 990 PF TAX PREP FEE	1,250.	625.	625.	625.
TO FORM 990-PF, PG 1, LN 16B	1,250.	625.	625.	625.

FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
OIL & GAS PROFESSIONAL FEES	75.	75.	75.	0.
TO FORM 990-PF, PG 1, LN 16C	75.	75.	75.	0.

FORM 990-PF	TAXES	STATEMENT	6
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL EXCISE TAX ON INVESTMENT INCOME	603.	0.	0.	0.
AD VALOREM TAXES	592.	592.	592.	0.
OIL & GAS PRODUCTION TAXES	269.	269.	269.	0.
TO FORM 990-PF, PG 1, LN 18	1,464.	861.	861.	0.

FORM 990-PF	OTHER EXPENSES	STATEMENT	7
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MISCELLANEOUS OIL & GAS EXPENSE	91.	91.	91.	0.
TO FORM 990-PF, PG 1, LN 23	91.	91.	91.	0.

FORM 990-PF	OTHER INCREASES IN NET ASSETS OR FUND BALANCES	STATEMENT	8
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DESCRIPTION	AMOUNT
REPAYMENT & REVERSALS OF STUDENT LOANS	75,746.
TOTAL TO FORM 990-PF, PART III, LINE 3	75,746.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	9
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
FROST KEMPNER MULTI-CAP DEEP VALUE EQUITY FUND	COST	748,025.	682,310.
FROST KEMPNER TREASURY & INCOME FUND	COST	546,899.	655,853.
TOTAL TO FORM 990-PF, PART II, LINE 13		1,294,924.	1,338,163.

FORM 990-PF	OTHER ASSETS	STATEMENT	10
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DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
MINERAL INTERESTS	4.	4.	18,808.
PREPAID EXCISE TAX	0.	600.	600.
TO FORM 990-PF, PART II, LINE 15	4.	604.	19,408.

FORM 990-PF	SUMMARY OF DIRECT CHARITABLE ACTIVITIES	STATEMENT	11
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ACTIVITY ONE

PROVIDES INTEREST-FREE LOANS TO NEEDY/WORTHY STUDENTS WHO
ARE TEXAS RESIDENTS AND GRADUATES OF TEXAS HIGH SCHOOLS AND
WHO ATTEND TEXAS A&M UNIVERSITY

	EXPENSES
TO FORM 990-PF, PART IX-A, LINE 1	102,735.