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

2011

For calendar year 2011 or tax year beginning 07/01/11 **, and ending** 06/30/12

Name of foundation: HARTE CHARITABLE FOUNDATION

A Employer identification number: 45-0489907

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

B Telephone number (see instructions): 210-828-1505

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

C If exemption application is pending, check here ▶ ☐

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

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

H Check type of organization ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

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

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ $ 5,720,157

J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) (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 ▶ ☐

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 instructions))

Section	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 ▶ ☒ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments	65,861	65,861		
	4	Dividends and interest from securities	97,852	97,852		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	403,146			
	b	Gross sales price for all assets on line 6a 3,634,640				
	7	Capital gain net income (from Part IV, line 2)		403,146		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns & allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule) STMT 1	-178			
	12	**Total.** Add lines 1 through 11	566,681	566,859	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 2	8,390	4,195		4,195
	c	Other professional fees (attach schedule) STMT 3	105,814	69,877		35,937
	17	Interest				
	18	Taxes (attach schedule) (see instructions) STMT 4	12,714	714		
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (att sch) STMT 5	167	167		
	24	**Total operating and administrative expenses.** Add lines 13 through 23	127,085	74,953	0	40,132
	25	Contributions, gifts, grants paid	246,134			246,134
	26	**Total expenses and disbursements.** Add lines 24 and 25	373,219	74,953	0	286,266
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	193,462			
	b	**Net investment income** (if negative, enter -0-)		491,906		
	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	97,740	212,192	212,192
	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 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 6	429,917	789,057	811,336
	b	Investments—corporate stock (attach schedule) SEE STMT 7	5,854,476	5,787,325	3,599,440
	c	Investments—corporate bonds (attach schedule) SEE STMT 8	1,302,226	1,089,247	1,097,189
	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)	7,684,359	7,877,821	5,720,157
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	7,684,359	7,877,821	
	30	**Total net assets or fund balances** (see instructions)	7,684,359	7,877,821	
	31	**Total liabilities and net assets/fund balances** (see instructions)	7,684,359	7,877,821	

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	7,684,359
2	Enter amount from Part I, line 27a	2	193,462
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	7,877,821
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	7,877,821

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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	3,612,362		3,231,494	380,868
b	22,278			22,278
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				380,868
b				22,278
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	403,146
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 instructions) If (loss), enter -0- in Part I, line 8	3	

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

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

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

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

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

1 Enter the appropriate amount in each column for each year, see the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2010	343,962	6,233,182	0.055182
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

2	**Total** of line 1, column (d)	2	0.291256
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	0.058251
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	5,698,017
5	Multiply line 4 by line 3	5	331,915
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	4,919
7	Add lines 5 and 6	7	336,834
8	Enter qualifying distributions from Part XII, line 4	8	286,266

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

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see 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	9,838
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	9,838
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	9,838
6	Credits/Payments		
a	2011 estimated tax payments and 2010 overpayment credited to 2011 — 6a: 8,606		
b	Exempt foreign organizations—tax withheld at source — 6b:		
c	Tax paid with application for extension of time to file (Form 8868) — 6c: 11,500		
d	Backup withholding erroneously withheld — 6d:		
7	Total credits and payments. Add lines 6a through 6d	7	20,106
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	10,268
11	Enter the amount of line 10 to be **Credited to 2012 estimated tax** ▶ 10,268 **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 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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? 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 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?	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 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?	16		X
	See 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 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 2011?	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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011?	☐ 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 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 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

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

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

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

1 List all officers, directors, trustees, foundation managers and their compensation (see 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 9				

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

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

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 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 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 instructions 3	
Total. Add lines 1 through 3 ▶	

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	5,557,957
b	Average of monthly cash balances		1b	226,832
c	Fair market value of all other assets (see instructions)		1c	0
d	**Total** (add lines 1a, b, and c)		1d	5,784,789
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	5,784,789
4	Cash deemed held for charitable activities Enter 1½% of line 3 (for greater amount, see instructions)		4	86,772
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4		5	5,698,017
6	**Minimum investment return.** Enter 5% of line 5		6	284,901

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	284,901
2a	Tax on investment income for 2011 from Part VI, line 5	2a 9,838		
b	Income tax for 2011 (This does not include the tax from Part VI)	2b		
c	Add lines 2a and 2b		2c	9,838
3	Distributable amount before adjustments Subtract line 2c from line 1		3	275,063
4	Recoveries of amounts treated as qualifying distributions		4	
5	Add lines 3 and 4		5	275,063
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	275,063

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	286,266
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	286,266
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 instructions)	5	0
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	286,266

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

Part XIII Undistributed Income (see instructions)

		(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7					275,063
2 Undistributed income, if any, as of the end of 2011					
a Enter amount for 2010 only					
b Total for prior years 20____ , 20____ , 20____					
3 Excess distributions carryover, if any, to 2011					
a From 2006	593				
b From 2007					
c From 2008	108,223				
d From 2009					
e From 2010	40,557				
f **Total** of lines 3a through e		149,373			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ $ 286,266					
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					275,063
e Remaining amount distributed out of corpus		11,203			
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		160,576			
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 instructions					
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012					0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)					
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)		593			
9 **Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a		159,983			
10 Analysis of line 9					
a Excess from 2007					
b Excess from 2008	108,223				
c Excess from 2009					
d Excess from 2010	40,557				
e Excess from 2011	11,203				

Part XIV Private Operating Foundations (see 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 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)

	Tax year	Prior 3 years			
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 Information Regarding Foundation Managers:

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

N/A

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

N/A

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

Check here ▶ ☒ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc (see 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	186,134
FRIENDS OF HRI 20742 STONE OAK PARKWAY SAN ANTONIO TX 78258	NONE	501(C)(3)	GENERAL CHARITABLE PURPOSES	60,000
Total			▶ 3a	246,134
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		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	65,861	
4 Dividends and interest from securities			14	97,852	
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	211110	1	14		
8 Gain or (loss) from sales of assets other than inventory			18	403,146	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b PLAINS AMERICAN PIPELINE LP	211110	-179			
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		-178		566,859	0

13 Total. Add line 12, columns (b), (d), and (e) 13 566,681

(See worksheet in line 13 instructions 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 instructions)
N/A	

DAA

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		

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

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

Sign Here [signature] Signature of officer or trustee | Date 1-30-13 | Title TREASURER ~~TRUSTEE~~

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☒ if self-employed
	WAYNE E. COLLIE	WAYNE E. COLLIE	01/18/13	
	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 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
PLAINS ALL AMERICAN PIPELINE	$ 1	$	$
PLAINS AMERICAN PIPELINE LP	-179		
TOTAL	$ -178	$ 0	$ 0

Statement 2 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
ACCCOUNTING FEES	$ 8,390	$ 4,195	$	$ 4,195
TOTAL	$ 8,390	$ 4,195	$ 0	$ 4,195

Statement 3 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FROST NATIONAL BANK-ADVISORY FEE	$ 24,537	$ 24,537	$	$
LEGAL EXPENSES	81,277	45,340		35,937
TOTAL	$ 105,814	$ 69,877	$ 0	$ 35,937

Statement 4 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FOREIGN INCOME TAXES	$ 714	$ 714	$	$
FEDERAL EXCISE TAXES	12,000			
TOTAL	$ 12,714	$ 714	$ 0	$ 0

Federal Statements

Statement 5 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	$	$	$	$
EXPENSES				
MISCELLANEOUS EXPENSE	167	167		
TOTAL	$ 167	$ 167	$ 0	$ 0

Federal Statements

Statement 6 - 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
250000 FEDERAL HOME LOAN BKS 4.75%	$ 275,448	$ 275,448	COST	$ 292,455
150000 FEDERAL NATL MTG 2.375%	154,469	154,469	COST	158,280
200000 FEDERAL HOME LN MTG 1%		201,460	COST	202,322
150000 FEDERAL NATL MTG ASSN 2.25%		157,680	COST	158,279
TOTAL	$ 429,917	$ 789,057		$ 811,336

Statement 7 - 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	$ 1,619,608
95 SHS ACCENTURE		6,233	COST	5,709
232 SHS ADOBE SYSTEMS INC		7,722	COST	7,510
225 SHS AIR PRODUCTS & CHEMICALS INC	14,456		COST	
350 SHS ALBEMARLE CORPORATION	16,560		COST	
1100 SHS ALCOA INC	18,403		COST	
100 SHS ALLERGAN INC	10,913	8,215	COST	9,257
30 SHS AMAZON.COM INC	5,894	5,701	COST	6,851
130 SHS AMERICAN EXPRESS CO	6,629	6,629	COST	7,567
365 SHS AMERICAN WATER WORKS CO	14,445	10,874	COST	12,512
200 SHS AMERIPRISE FINANCIAL INC	12,450		COST	
350 SHS AMGEN INC	18,834		COST	
150 SHS ANDARKO PETROLEUM CORP	12,824	9,618	COST	9,930
100 SHS APACHE CORP	9,741		COST	
54 SHS APPLE INC	14,177	18,843	COST	31,536
550 SHS AQUA AMERICA INC	10,038	12,198	COST	13,728
330 SHS ARM HLDGS		8,763	COST	7,851
465 SHS AT&T INC	9,348	13,522	COST	16,582
40 SHS BAIDU INC	10,972	4,389	COST	4,599
90 SHS BARD C R INC	6,979		COST	
500 SHS BB&T CORP	13,560	13,560	COST	15,425
150 SHS BCE INC	9,832	5,876	COST	6,180
150 SHS BECTON DICKINSON & CO	13,332		COST	
187 SHS BHP BILLITON LTD	13,127	13,489	COST	12,211

Federal Statements

Statement 7 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
50 SHS BIOGEN IDEC INC	$	$ 5,984	COST	$ 7,219
40 SHS BLACKROCK		7,382	COST	6,793
120 SHS BORGWARNER INC	6,685	4,011	COST	7,871
170 SHS CAMERON INTERNATIONAL CORP		8,141	COST	7,261
290 SHS CARDINAL HEALTH INC	7,523	10,088	COST	12,180
329 SHS CATERPILLAR INC	10,759		COST	
220 SHS CELGENE CORP	13,345	13,843	COST	14,115
150 SHS CEPHEID INC		5,783	COST	6,698
430 SHS CENOVUS ENERGY INC	11,985		COST	
200 SHS CHEVRON CORPORATION	25,615	20,689	COST	21,100
1120 CINEMARK HOLDINGS INC		22,836	COST	25,592
520 SHS CISCO SYSTEM INC		9,213	COST	8,928
75 CITRIX SYSTEMS INC		5,652	COST	6,296
65 SHS CME GROUP INC		18,208	COST	17,427
290 SHS COBALT INTL ENERGY		9,089	COST	6,815
188 SHS COCA COLA CO	12,123	11,811	COST	14,700
215 SHS COGNIZANT TECH SOLUTIONS	4,929	3,718	COST	12,900
200 SHS CONOCOPHILLIPS	12,060		COST	
580 SHS CORNING INC	7,822		COST	
135 SHS COSTCO WHOLESALE CORP	10,669	9,113	COST	12,825
260 SHS COVIDIEN		11,596	COST	13,910
85 SHS CUMMINS INC	15,402	6,379	COST	8,237
130 SHS CVS CAREMARK CORP		5,804	COST	6,075
396 SHS DR HORTON INC		5,817	COST	7,278
120 SHS DEERE & CO COM	12,274	6,286	COST	9,704
85 SHS DEVON ENERGY CORP		6,178	COST	4,929
290 SHS DIRECTV	10,581	11,247	COST	14,158
295 SHS DOLLAR GENERAL CORP		12,486	COST	16,045
350 SHS DOW CHEMICAL CO	12,893		COST	
430 SHS E M C CORP MASSACHUSETTS	6,005	8,252	COST	11,021
320 SHS EAST WEST BANCORP	6,608	6,608	COST	7,507
200 SHS ECOPETROL SA SPONS ADR	8,526		COST	
60 SHS EDWARDS LIFESCIENCES CORP		4,514		6,198
125 SHS EMERSON ELECTRIC CO	18,597	6,314	COST	5,823
115 SHS ENSCO		6,120	COST	5,402
100 SHS EOG RESOURCES INC	21,745	10,872	COST	9,011
984 SHS ERICSSON TEL CO	10,970	10,004	COST	8,984

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Statement 7 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
277 SHS EXXON MOBIL CORP	$ 16,629	$	COST	$
100 SHS FEDEX CORP	9,376	9,376	COST	9,161
500 FORD MOTOR COMPANY		6,304	COST	4,795
440 SHS FORTINET INC	7,897	10,049	COST	10,217
150 SHS FREEPORT-MCMORAN COPPER	21,032	7,887	COST	5,111
110 SHS FRESH MARKET INC		5,646	COST	5,899
50 F 5 NETWORKS INC		5,253	COST	4,978
1080 SHS GENERAL ELECTRIC CO	18,530		COST	
450 SHS GENTEX CORP	6,419		COST	
450 SHS GOLDCORP INC	12,680		COST	
10 SHS GOOGLE INC	13,597	6,110	COST	5,801
350 SHS HALLIBURTON CO	11,511		COST	
500 SHS HARMAN INTL INDS INC	15,112		COST	
300 SHS HOME DEPOT	9,661		COST	
100 SHS HONEYWELL INTERNATIONAL	17,188	6,082	COST	5,584
308 SHS HSBC HOLDINGS PLC SPON ADR	7,607		COST	
900 SHS HUDSON CITY BANCORP INC			COST	
185 SHS HUMANA INC	14,469	15,168	COST	14,326
1430 HUNTINGTON BANCSHARES INC		9,166	COST	9,152
260 SHS ILLINOIS TOOL WORKS INC	11,137		COST	
215 SHS ILLUMINA INC		8,539	COST	8,684
440 SHS INGERSOLL-RAND PLC	15,518		COST	
1040 SHS INTEL CORP	16,829		COST	
30 SHS INTL BUSINESS MACHINES CORP	11,303	5,841	COST	5,867
290 INVESCO LTD		5,852	COST	6,554
500 SHS ISHARES BARCLAYS 20+ YR TREA	48,632		COST	
2110 SHS ISHARES COHEN & STEERS RTY	51,983	79,809	COST	165,930
800 SHS ISHARES MSCI EMERGING MKTS	32,384		COST	
400 SHS JOHNSON CONTROLS INC	14,503		COST	
555 SHS JP MORGAN CHASE & CO	16,153	22,527	COST	19,830
300 SHS KELLOGG CO	16,353		COST	
450 SHS KRAFT FOODS INC		16,162	COST	17,379
385 SHS KROGER CO		8,410	COST	8,928
200 SHS LAM RESEARCH CORP	9,418	9,418	COST	7,548
105 SHS LAUDER ESTEE COMPANIES		5,875	COST	5,683
400 SHS LAZARD LTD		12,243	COST	10,396
250 SHS LINCOLN ELECTRIC HOLDINGS IN		8,846	COST	10,948

Federal Statements

Statement 7 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
500 SHS LOWES COS INC	$ 10,405	$	COST	$
15 SHS MASTERCARD INC		6,818	COST	6,452
500 SHS MAXIM INTEGRATED PROD INC	13,915		COST	
190 SHS MCDONALDS CORP	9,717	17,704	COST	16,821
80 SHS MEAD JOHNSON NUTRITION CO		5,935	COST	6,441
150 SHS MEDCO HEALTH SOLUTIONS INC	9,682		COST	
165 SHS MEDTRONIC INC	13,455	5,850	COST	6,390
310 SHS MERCK & CO INC	16,865	11,724	COST	12,943
805 SHS METLIFE INC	8,926	31,296	COST	24,834
600 SHS MICROSOFT CORP		17,770	COST	18,354
500 SHS MOLEX INC	13,560		COST	
120 SHS MONSANTO		9,374	COST	9,934
245 SHS MOTOROLA SOULUTIONS INC		12,074	COST	11,787
110 SHS MYRIAD GENETICS INCORPORATED		2,812	COST	2,615
280 SHS NETAPP INC	10,379	11,634	COST	8,910
220 SHS NEWMONT MINING CORP		10,714	COST	10,672
225 SHS NEXTERA ENERGY INC			COST	
120 SHS NORDSTROM INC	5,358	6,029	COST	5,963
80 SHS NORFOLK SOUTHERN CORP	5,131	6,078	COST	5,742
110 SHS NOVARTIS AG	12,004	5,109	COST	6,149
350 SHS NYSE EURONEXT COM	10,356		COST	
90 SHS O'REILLY AUTOMOTIVE INC	10,156	6,751	COST	7,539
210 SHS ORACLE CORPORATION	6,816	3,578	COST	6,237
185 SHS PACCAR INC	10,122	8,076	COST	7,250
40 SHS PANERA BREAD CO		6,002	COST	5,578
100 SHS PEABODY ENERGY CORP	6,040		COST	
330 SHS PENN WEST ENERGY TRUST	3,355	7,013	COST	4,419
135 SHS PEPSICO INC	14,562	8,048	COST	9,539
234 SHS PHILIP MORRIS INTL INC	12,504	12,869	COST	20,419
130 SHS PRAXAIR INC	9,854		COST	
50 SHS PRICELINE.COM INC	4,044		COST	
105 SHS PNC FINANCIAL SERVICES GROUP	14,346	6,025	COST	6,417
260 SHS POTASH CORP	12,847	11,825	COST	11,359
60 SHS PRAXAIR INC		4,548	COST	6,524
10 SHS PRICELINE.COM		809	COST	6,645
200 SHS QUALCOMM INC	13,058	8,495	COST	11,136
80 SHS ROCKWELL AUTOMATION INC	9,520	4,694	COST	5,285

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Statement 7 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
250 SHS ROGERS COMMUNICATIONS INC	$ 9,433	$	COST	$
350 SHS RYDER SYSTEM INC	19,119		COST	
100 SHS SAP AG SPON ADR	4,940	6,027	COST	5,936
260 SHS SCHLUMBERGER LIMITED	13,664	18,626	COST	16,877
250 SHS SEADRILL LTD	17,155	8,725	COST	8,880
160 SHS STARBUCKS CORP	4,206	8,009	COST	8,531
180 SHS STARWOOD HOTELS & RESORTS	13,331	8,939	COST	9,547
500 SHS SUN LIFE FINANCIAL	15,584		COST	
300 SHS SUNCOR ENERGY INC	12,216		COST	
400 SHS TEREX CORP		9,615	COST	7,132
290 SHS TEVA PHARMACEUTICAL INDS	10,030	13,650	COST	11,438
290 SHS TIME WARNER CABLE INC		18,452	COST	23,809
230 SHS TOTAL SA SPN ADR	21,329	12,228	COST	10,339
100 SHS ULTA SALON COSMETICS & FRAG		6,370	COST	9,338
140 SHS UNION PACIFIC CORP	18,863	8,803	COST	16,703
150 SHS UNITED TECHNOLOGIES CORP	13,066		COST	
90 SHS VARIAN MEDICAL SYSTEMS INC		5,910	COST	5,469
60 SHS VISA INC	6,396	7,356	COST	7,418
70 SHS VMWARE INC	6,465	6,465	COST	6,373
515 SHS VODAFONE GROUP PLC	4,771	14,207	COST	14,513
180 SHS WELLS FARGO & CO		6,019	COST	6,019
505 SHS WESTERN UNION CO		9,116	COST	8,504
175 SHS YUM! BRANDS INC	9,685	6,024	COST	11,274
210 SHS 3M CO	16,380		COST	
22280.573 SHS FROST INTL EQUITY FUND	159,060	125,864	COST	177,131
5531.989 SHS FROST NATURAL RESOURCES		63,120	COST	54,490
19552.006 SHS FROST SMALL CAP EQUITY	57,406	167,503	COST	156,807
2069.015 SHS INVESCO DEV MKTS FUND	36,140	66,450	COST	63,167
1300.729 SHS LAZARD EMERGING MKTS		25,000	COST	23,660
3355.997 SHS IVY GLOBAL NAT RESOURCE	58,137		COST	
11105.452 SHS MAINSTAY CONVER FUND I	59,316	153,879	COST	162,029
1423.077 SHS TROWE PRICE INTL DISCVY	69,904	51,729	COST	58,873
TOTAL	$ 5,854,476	$ 5,787,325		$ 3,599,440

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Statement 8 - 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	$	COST	$
150,000 BERKSHIRE HATHAWAY FINANCE		154,757	COST	156,546
150,000 CME GROUP INC	251,968	151,181	COST	157,358
150,000 GENERAL ELECTRIC CAPITAL		151,545	COST	151,565
250,000 GLAXOSMITHKLINE CAPITAL INC	260,000		COST	
150,000 GOOGLE INCORPORATED		152,433	COST	152,331
150,000 MERCK & COMPANY INC		166,183	COST	163,652
150,000 MICROSOFT CORPORATION		153,457	COST	155,123
200,000 PROCTOR & GAMBLE CO	200,698		COST	
300,000 WACHOVIA CORPORATION	296,760		COST	
150,000 WAL-MART STORES INC		159,691	COST	160,614
TOTAL	$ 1,302,226	$ 1,089,247		$ 1,097,189

Federal Statements

Statement 9 - 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	$	5		14		
FROST NATIONAL BANK		72,400		14		
INTEREST PURCHASED		-6,544		14		
TOTAL	$	65,861				

Taxable Dividends from Securities

Description		Amount	Unrelated Business Code	Exclusion Code	Postal Code	US Obs ($ or %)
CHARLES SCHWAB	$	58,476		14		
FROST NATIONAL BANK		39,376		14		
TOTAL	$	97,852				

Other Investment Income

Description		Amount	Unrelated Business Code	Exclusion Code	Postal Code
PLAINS ALL AMERICAN PIPELINE	$	1	211110	14	
TOTAL	$	1			

HARTE CHARITABLE FOUNDATION
EIN: 45-0489907
FYE 06/30/12

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 06/30/12

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
Year 8, FYE 06/30/2011	303,405
	2,680,697

HARTE CHARITABLE FOUNDATION
EIN: 45-0489907
FYE 06/30/12

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

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

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

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
Year 9 FYE 06/30/12		
09/09/11	Texas A&M Corpus Christi	63,584
03/07/12	Texas A&M Corpus Christi	122,550
04/25/12	Friends of HRI	60,000
06/30/12	Charitable expenses	89,833
		3,166,273