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Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

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Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

2013

Open to Public Inspection

For calendar year 2013 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	Room/suite	B Telephone number (409) 770-5665
City or town, state or province, country, and ZIP or foreign postal 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"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <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) \$ 1,616,197. (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		54.	54.	54.	STATEMENT 1
4 Dividends and interest from securities		21,796.	21,796.	21,796.	STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		15,905.			
b Gross sales price for all assets on line 6a		15,905.			
7 Capital gain net income (from Part IV, line 2)			15,905.		
8 Net short-term capital gain				0.	
9 Income modifications				67,340.	
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income		5,602.	5,602.	5,602.	STATEMENT 3
12 Total. Add lines 1 through 11		43,357.	43,357.	94,792.	
13 Compensation of officers, directors, trustees, etc.		29,001.	6,590.	6,590.	22,411.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees STMT 4		1,425.	713.	713.	713.
c Other professional fees STMT 5		7.	7.	7.	0.
17 Interest					
18 Taxes STMT 6		1,458.	801.	801.	0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 7		6.	6.	6.	0.
24 Total operating and administrative expenses. Add lines 13 through 23		31,897.	8,117.	8,117.	23,124.
25 Contributions, gifts, grants paid		77,500.			77,500.
26 Total expenses and disbursements. Add lines 24 and 25		109,397.	8,117.	8,117.	100,624.
27 Subtract line 26 from line 12		-66,040.			
a Excess of revenue over expenses and disbursements			35,240.		
b Net investment income (if negative, enter -0-)					
c Adjusted net income (if negative, enter -0-)				86,675.	

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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	98,797.	99,424.	99,424.
	3 Accounts receivable 1.			
	Less allowance for doubtful accounts 1.	8.	1.	1.
	4 Pledges receivable 1.			
	Less allowance for doubtful accounts 1.			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable 1.			
	Less allowance for doubtful accounts 1.			
	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 1.			
	Less accumulated depreciation 1.			
	12 Investments - mortgage loans			
	13 Investments - other STMT 9	1,294,924.	1,294,924.	1,498,478.
	14 Land, buildings, and equipment basis 1.			
	Less accumulated depreciation 1.			
	15 Other assets (describe STATEMENT 10)	4.	684.	18,294.
	16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item 1)	1,393,733.	1,395,033.	1,616,197.
	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 1.)			
	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	1,393,733.	1,395,033.	
	30 Total net assets or fund balances	1,393,733.	1,395,033.	
	31 Total liabilities and net assets/fund balances	1,393,733.	1,395,033.	

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)	1,393,733.
2 Enter amount from Part I, line 27a	-66,040.
3 Other increases not included in line 2 (itemize) SEE STATEMENT 8	67,340.
4 Add lines 1, 2, and 3	1,395,033.
5 Decreases not included in line 2 (itemize) 1.	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	1,395,033.

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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 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 15,905.			15,905.
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))
(j) FMV as of 12/31/69	(k) Adjusted basis as of 12/31/69	(l) Excess of col. (j) over col. (k), if any	
a			15,905.
b			
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	15,905.
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) If (loss), enter -0- in Part I, line 8	{ }	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 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))
2012	94,134.	1,456,906.	.064612
2011	102,472.	1,428,238.	.071747
2010	101,712.	1,695,324.	.059996
2009	102,126.	1,250,535.	.081666
2008	114,793.	1,414,947.	.081129

2 Total of line 1, column (d)	2	.359150
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	.071830
4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5	4	1,545,248.
5 Multiply line 4 by line 3	5	110,995.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	352.
7 Add lines 5 and 6	7	111,347.
8 Enter qualifying distributions from Part XII, line 4	8	100,624.

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 type="checkbox"/> and enter 1% of Part I, line 27b		1	705.
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	705.
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	705.
6 Credits/Payments:			
a 2013 estimated tax payments and 2012 overpayment credited to 2013	6a	680.	
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	680.	
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	25.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11 Enter the amount of line 10 to be Credited to 2014 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	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?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the 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 2013 or the taxable year beginning in 2013 (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 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 2013, 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	
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 2013?		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 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013? <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	
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 2013 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 2013)	N/A	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		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 2013?		X

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

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

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

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

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

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

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

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? ☐ Yes ☒ No
 Organizations relying on a current notice regarding disaster assistance check here ☐ N/A

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☒ No
 If "Yes," attach the statement required by Regulations section 53.4945-5(d). N/A

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No
 If "Yes" to 6b, file Form 8870

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

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No
 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 BANK	TRUSTEE			
P. O. BOX 8210				
GALVESTON, TX 77553-8210	4.00	29,001.	0.	0.
ALBERT SHANNON	DIRECTOR			
FROST BANK, P. O. BOX 8210				
GALVESTON, TX 77553-8210	0.16	0.	0.	0.
FREDDIE MEIER	DIRECTOR			
FROST BANK, P. O. BOX 8210				
GALVESTON, TX 77553-8210	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

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 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	100,624.
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.

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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	1,450,567.
b	Average of monthly cash balances	1b	99,917.
c	Fair market value of all other assets	1c	18,296.
d	Total (add lines 1a, b, and c)	1d	1,568,780.
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	1,568,780.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	23,532.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,545,248.
6	Minimum investment return. Enter 5% of line 5	6	77,262.

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 2013 from Part VI, line 5	2a	
b	Income tax for 2013 (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	100,624.
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	100,624.
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	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	100,624.

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.

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Part XIII Undistributed Income (see instructions)

N/A

	(a) Corpus	(b) Years prior to 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7				
2 Undistributed Income, if any, as of the end of 2013				
a Enter amount for 2012 only				
b Total for prior years				
3 Excess distributions carryover, if any, to 2013				
a From 2008				
b From 2009				
c From 2010				
d From 2011				
e From 2012				
f Total of lines 3a through e				
4 Qualifying distributions for 2013 from Part XII, line 4 ▶ \$				
a Applied to 2012, 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 2013 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2013 (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 2012 Subtract line 4a from line 2a Taxable amount - see instr				
f Undistributed income for 2013 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2014				
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 2008 not applied on line 5 or line 7				
9 Excess distributions carryover to 2014 Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9				
a Excess from 2009				
b Excess from 2010				
c Excess from 2011				
d Excess from 2012				
e Excess from 2013				

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 2013, 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)

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

Tax year	Prior 3 years			(e) Total
(a) 2013	(b) 2012	(c) 2011	(d) 2010	
77,262.	72,845.	71,412.	84,766.	306,285.
65,673.	61,918.	60,700.	72,051.	260,342.
100,624.	94,134.	102,735.	101,712.	399,205.
0.	0.	0.	0.	0.
100,624.	94,134.	102,735.	101,712.	399,205.

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))

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 or e-mail address of the person to whom applications should be addressed

FROST BANK, TRUSTEE, (409) 770-5665
P.O. BOX 8210, GALVESTON, TX 77553-8210

- 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

Form 990-PF (2013)

A & M EDUCATIONAL FOUNDATION

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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	77,500.
Total			▶ 3a	77,500.
b Approved for future payment				
NONE				
Total			▶ 3b	0.

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	54.	
4	Dividends and interest from securities			14	21,796.	
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	5,602.	
8	Gain or (loss) from sales of assets other than inventory			14	15,905.	
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.		43,357.	0.
13	Total. Add line 12, columns (b), (d), and (e)				43,357.	

(See worksheet in line 13 instructions to verify calculations)

Part XVI-B

Relationship of Activities to the Accomplishment of Exempt Purposes

[illegible]

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, 2013

NAME	ADDRESS	AMOUNT
Beanland, Kyle S.	13217 4 1/2 Street Sante Fe, TX 77510	\$ 2,500 00
Cloat, Emily A	8014 Old Hickory Grove Road Franklin, TX 77856	2,500.00
Cooley, Randy M.	22 Campeche Circle Galveston, TX 77554	2,500 00
Daugherty, McKensie N	6811 Singleton Road Midlothian, TX 76065	2,500 00
Dearman, Charlotte W	90 Island Passage Galveston, TX 77554	2,500 00
Dotson, Cole A	21722 Park Brook Drive Katy, TX 77450	2,500 00
Dotson, Luke A	21722 Park Brook Drive Katy, TX 77450	2,500 00
Eaves, Alyssa C	611 Land Grant Richmond, TX 77406	2,500 00
Fullen, Valerie J	2502 Larkspur Court Galveston, TX 77551	2,500 00
Garza, Rebecca J	4028 Lovers Lane Dickinson, TX 77539	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
Hanson, Alexis L	4505 Lapis Court College Station, TX 77845	2,500 00
Hanson, Taylor M	4505 Lapis Court College Station, TX 77845	2,500 00
Hatherill, Lucille S	7121 Spanish Grant Galveston, TX 77554	2,500 00
Jureka, Philip R	707 Chestnut Hills Court Katy, TX 77450	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, 2013

NAME	ADDRESS	AMOUNT
Kern, Kyle J	2803 8th Street North Texas City, TX 77590	2,500 00
Kleppe, Kristin A	9108 Drumcliffe Lane Dallas, TX 75231	2,500.00
Lawrence, Brittany E	1303 Oak Hollow Drive Friendswood, TX 77546	1,250 00
Manriquez, Michael S	325 Poppy Street League City, TX 77573	2,500 00
Mezzano, Nathan A	1326 Woodfair Drive Richmond, TX 77406	2,500 00
Morgan, Brandi R	6107 Greenmont Houston, TX 77092	1,250 00
Mucha, Nicholas A	15707 El Dorado Oaks Drive Houston, TX 77059	2,500 00
Nance, Emily E	10736 CR 571 Blue Ridge, TX 75424	2,500 00
Oldiges, Marissa C	11819 Meadowview Drive Cypress, TX 77429	2,500 00
Osullivan, Hannah L	1618 Wynfield Drive Deer Park, TX 77536	2,500 00
Palmer, Kelsey N	8411 Avenue M Sante Fe, TX 77510	2,500 00
Redman, Lindsey E	3300 Lieutenant Avenue College Station, TX 77845	2,500 00
Robinson, William K.	4206 Country Drive Vernon, TX 76384	2,500 00
Williams, Morgan G	P O Box 1793 New Waverly, TX 77358	2,500 00
Winkler, Tyler S.	3404 Meadow Creek Lane Temple, TX 76504	2,500 00
Wood, Bailey M	515 Hillary Circle Sugar Land, TX 77498	2,500 00
		\$ <u>77,500 00</u>

VANDAL & WINIFRED MERCER TAMU FOUNDATION

c/o Frost Bank
P O Box 8210, Galveston, TX 77553-8210
(409) 770-5665

APPROVED

DISAPPROVED

**INTEREST FREE
STUDENT LOAN APPLICATION**

Applicant Data

Full Name (First, Middle, Last): _____ 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 2014 \$ _____ Spring 2015 \$ _____ **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: _____

Financial Data

**Student's Estimated Expenses
for the 2014/2015 school year**

Tuition and Fees \$ _____

Books and Supplies \$ _____

Housing \$ _____

Living Costs (child care,
food, clothing) \$ _____

Travel \$ _____

Personal and Recreational \$ _____
(incl. credit card debts)

Car costs \$ _____
(payment, insurance, maintenance)

Other Misc. Debts. \$ _____

**Student's Estimated Income
for the 2014/2015 school year**

Savings \$ _____

Employment \$ _____

Aid from relatives \$ _____

Scholarships
(detail below) \$ _____

Loans \$ _____

(detail below)

Veteran's Benefits \$ _____

Other \$ _____

Summary

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

Are you working to pay for some of your college expenses? ☐ No ☐ Yes, please give some additional information about your job and if you will be working summer and/or during the school year. _____

Scholarship/Loan Detail

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.

<u>Name of Organization</u>	<u>Amount</u>	<u>Awarded</u>
<u>Denied</u>	<u>Pending</u>	

Essay Required: Tell us about yourself. Use a separate sheet to outline your accomplishments, extra curricular activities, special needs or family conditions that make it necessary for you to borrow funds to attend college.

Loan Conditions

I have received a copy of the foundation guidelines for my records and after reading these guidelines, I agree to abide by the policies set out in the guidelines

I understand that loan approval is not automatic and will be based on academic requirements, financial data and available funding. Loan approval is made for one year at a time and any subsequent application and note renewal or extension may be subject to any loan policy change or modification as instituted by the Foundation. Students must apply and qualify each year based on overall grade point earned through the fall semester. This includes freshman applicants who may only have one semester as their overall grade point average.

Minimum payment of \$25.00 per month is required with documentation of full-time enrollment. Current policy outlines a six-month grace period after graduation or discontinuance of full-time enrollment with payment increasing to a sixty-month payment plan or minimum of \$50.00 per month, whichever is greater. Students are required to notify our office if they are no longer enrolled full-time.

Loans are reported to the credit bureau for borrower and co-signers. Co-signers will receive past due notices if the borrower fails to maintain the account in a current status. Borrowers are required to keep our records updated with current addresses and information for borrower and co-signers.

I certify that I am not an officer, director or employee of Frost Bank or a relative (child, brother, sister, niece, nephew, cousin or spouse) of an officer, director or employee of Frost Bank and that all information given for the purpose of obtaining this loan is true, complete, valid, genuine, and correct to the best of my knowledge. I understand that you will retain this application, whether or not it is approved. You are authorized to check my credit history and to answer questions about your credit experience with me.

(Signature of Applicant)

(Date)

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

SOURCE	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
FEDERATED PRIME OBLIGATION FUND	54.	54.	54.
TOTAL TO PART I, LINE 3	54.	54.	54.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
FROST KEMPNER MULTI-CAP DEEP VALUE EQUITY FUND	32,469.	15,905.	16,564.	16,564.	16,564.
FROST KEMPNER TREASURY & INCOME FUND	5,232.	0.	5,232.	5,232.	5,232.
TO PART I, LINE 4	37,701.	15,905.	21,796.	21,796.	21,796.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
ROYALTY INCOME	5,602.	5,602.	5,602.
TOTAL TO FORM 990-PF, PART I, LINE 11	5,602.	5,602.	5,602.

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	1,425.	713.	713.	713.	
TO FORM 990-PF, PG 1, LN 16B	1,425.	713.	713.	713.	

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
OIL & GAS PROFESSIONAL FEES	7.	7.	7.	0.	
TO FORM 990-PF, PG 1, LN 16C	7.	7.	7.	0.	

FORM 990-PF	TAXES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FEDERAL EXCISE TAX ON INVESTMENT INCOME	657.	0.	0.	0.	
AD VALOREM TAXES	410.	410.	410.	0.	
OIL & GAS PRODUCTION TAXES	391.	391.	391.	0.	
TO FORM 990-PF, PG 1, LN 18	1,458.	801.	801.	0.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
MISCELLANEOUS OIL & GAS EXPENSE	6.	6.	6.	0.	
TO FORM 990-PF, PG 1, LN 23	6.	6.	6.	0.	

FORM 990-PF	OTHER INCREASES IN NET ASSETS OR FUND BALANCES	STATEMENT	8
DESCRIPTION		AMOUNT	
REPAYMENT & REVERSALS OF STUDENT LOANS		67,340.	
TOTAL TO FORM 990-PF, PART III, LINE 3		67,340.	

FORM 990-PF	OTHER INVESTMENTS		STATEMENT	9
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE	
FROST KEMPNER MULTI-CAP DEEP VALUE EQUITY FUND	COST	748,025.	897,818.	
FROST KEMPNER TREASURY & INCOME FUND	COST	546,899.	600,660.	
TOTAL TO FORM 990-PF, PART II, LINE 13		1,294,924.	1,498,478.	

FORM 990-PF	OTHER ASSETS		STATEMENT	10
DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE	
MINERAL INTERESTS	4.	4.	17,614.	
PREPAID EXCISE TAX	0.	680.	680.	
TO FORM 990-PF, PART II, LINE 15	4.	684.	18,294.	