

29491 5315601 8

Form **990-PF**

Return of Private Foundation

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

OMB No. 1545-0052

2017Department of the Treasury
Internal Revenue Service

Do not enter social security numbers on this form as it may be made public.
Go to www.irs.gov/Form990PF for instructions and the latest information.

Open to Public Inspection

For calendar year 2017 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) FROST BANK, 2201 MARKET, 10 FL	Room/suite	B Telephone number (see instructions) 409-770-7158
City or town, state or province, country, and ZIP or foreign postal code GALVESTON TX 77550		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 1,759,076	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

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))		(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 <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	1,574	1,574	1,574	
	4 Dividends and interest from securities	34,529	34,529	34,529	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	79,939			
	b Gross sales price for all assets on line 6a 858,006				
	7 Capital gain net income (from Part IV, line 2)		79,939		
	8 Net short-term capital gain			0	
	9 Income modifications SEE STMT 1			86,142	
	10a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule) STMT 2	4,790	4,790	4,790		
12 Total. Add lines 1 through 11	120,832	120,832	127,035		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	38,005	10,781	10,781	27,224
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) STMT 3	1,250	625	625	625
	c Other professional fees (attach schedule) STMT 4	8	8	8	
	17 Interest				
	18 Taxes (attach schedule) (see instructions) STMT 5	1,352	707	707	
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications	821			821
	23 Other expenses (att sch) STMT 6	1,188			
	24 Total operating and administrative expenses. Add lines 13 through 23	42,624	12,121	12,121	28,670
25 Contributions, gifts, grants paid	58,750			58,750	
26 Total expenses and disbursements. Add lines 24 and 25	101,374	12,121	12,121	87,420	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	19,458				
b Net investment income (if negative, enter -0-)		108,711			
c Adjusted net income (if negative, enter -0-)			114,914		

For Paperwork Reduction Act Notice, see instructions.

DAA

Form **990-PF** (2017)

9212

SCANNED JUL 13 2018

Part II Balance Sheets		Beginning of year	End of year	
			(a) Book Value	(b) Book Value
Assets	1 Cash – non-interest-bearing	1,443	13,059	13,059
	2 Savings and temporary cash investments	418,994	238,739	238,739
	3 Accounts receivable ▶ 1,037			
	Less allowance for doubtful accounts ▶	418,685	1,037	1,037
	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) ▶ 0			
	Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments – U.S. and state government obligations (attach schedule)			
	b Investments – corporate stock (attach schedule)			
	c Investments – corporate bonds (attach schedule)			
Liabilities	11 Investments – land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach sch) ▶			
	12 Investments – mortgage loans			
	13 Investments – other (attach schedule) SEE STATEMENT 7	719,827	1,411,714	1,482,965
	14 Land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach sch) ▶			
	15 Other assets (describe ▶ SEE STATEMENT 8)	684	684	23,276
	16 Total assets (to be completed by all filers – see the instructions Also, see page 1, item I)	1,559,633	1,665,233	1,759,076
	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 (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0	0	
	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ <input type="checkbox"/>			
	24 Unrestricted			
Net Assets or Fund Balances	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/>			
	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	1,559,633	1,665,233	
	30 Total net assets or fund balances (see instructions)	1,559,633	1,665,233	
Net Assets or Fund Balances	31 Total liabilities and net assets/fund balances (see instructions)	1,559,633	1,665,233	

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	1,559,633
2 Enter amount from Part I, line 27a	2	19,458
3 Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 9	3	86,142
4 Add lines 1, 2, and 3	4	1,665,233
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	1,665,233

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (for example, 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 SEE WORKSHEET				
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				
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
a				
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	79,939
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 If (loss), enter -0- in Part I, line 8			3	-1,504

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))
2016	118,305	1,505,144	0.078600
2015	113,946	1,594,408	0.071466
2014	92,290	1,667,021	0.055362
2013	100,624	1,545,248	0.065118
2012	94,134	1,456,906	0.064612
2 Total of line 1, column (d)			2 0.335158
3 Average distribution ratio for the 5-year base period – divide the total on line 2 by 5 0, or by the number of years the foundation has been in existence if less than 5 years			3 0.067032
4 Enter the net value of noncharitable-use assets for 2017 from Part X, line 5			4 1,624,503
5 Multiply line 4 by line 3			5 108,894
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 1,087
7 Add lines 5 and 6			7 109,981
8 Enter qualifying distributions from Part XII, line 4 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.			8 87,420

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	2,174
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	2,174
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	2,174
6	Credits/Payments		
a	2017 estimated tax payments and 2016 overpayment credited to 2017	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	1,494
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 2018 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
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? See the 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
c 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"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
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 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 2017 or the taxable year beginning in 2017? 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

N/A

Part VII-A Statements Regarding Activities (continued)

	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		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		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	X	
14 The books are in care of ► FROST BANK TRUST DEPT. 2201 MARKET ST, 10TH FLOOR Located at ► GALVESTON TX ZIP+4 ► 77550 Telephone no ► 409-770-7158		
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 2017, 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 FinCEN Form 114 If "Yes," enter the name of the foreign country ►		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? (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? (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)? (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 type="checkbox"/> Yes <input type="checkbox"/> Yes <input type="checkbox"/> Yes <input type="checkbox"/> Yes <input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> No <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		1b
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2017? 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 2017, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2017? If "Yes," list the years ► 20 , 20 , 20 , 20	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	2a
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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If "Yes," did it have excess business holdings in 2017 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 2017)	N/A	3b
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a
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 2017?		4b

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 4945(d)(4)(A)? 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 **6b**

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No **7b**

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**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, and 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
FROST BANK 2201 MARKET STREET, 10TH FLOOR TX 77550	TRUSTEE 4.00	38,005	0	0
CHAD DISCH FROST BANK, 2201 MARKET, 10TH FL TX 77550	ADVISORY COM 0.16	0	0	0
JEFF WIND FROST BANK, 2201 MARKET, 10TH FL TX 77550	ADVISORY COM 0.16	0	0	0
JOHN R. SULLIVAN P O BOX 131486 TX 77219	ADVISORY COM 0.16	0	0	0

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

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

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 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	87,420
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	1,403,181
b	Average of monthly cash balances	1b	221,748
c	Fair market value of all other assets (see instructions)	1c	24,313
d	Total (add lines 1a, b, and c)	1d	1,649,242
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	1,649,242
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	24,739
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,624,503
6	Minimum investment return. Enter 5% of line 5	6	81,225

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 2017 from Part VI, line 5	2a	
b	Income tax for 2017 (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	87,420
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	87,420
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	87,420

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 2016	(c) 2016	(d) 2017
1 Distributable amount for 2017 from Part XI, line 7				
2 Undistributed income, if any, as of the end of 2017				
a Enter amount for 2016 only				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2017				
a From 2012				
b From 2013				
c From 2014				
d From 2015				
e From 2016				
f Total of lines 3a through e				
4 Qualifying distributions for 2017 from Part XII, line 4 ▶ \$ _____				
a Applied to 2016, 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 2017 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2017 (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 2016 Subtract line 4a from line 2a Taxable amount – see instructions				
f Undistributed income for 2017 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2018				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required—see instructions)				
8 Excess distributions carryover from 2012 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2018. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9				
a Excess from 2013				
b Excess from 2014				
c Excess from 2015				
d Excess from 2016				
e Excess from 2017				

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 2017, enter the date of the ruling N/A

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				(e) Total
	(a) 2017	(b) 2016	(c) 2015	(d) 2014	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	81,225	75,257	79,720	83,351	319,553
b 85% of line 2a	69,041	63,968	67,762	70,848	271,619
c Qualifying distributions from Part XII, line 4 for each year listed	87,420	118,950	114,599	92,290	413,259
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	87,420	118,950	114,599	92,290	413,259
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	54,150	50,171	53,147	55,567	213,035
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., to individuals or organizations under other conditions, complete items 2a, b, c, and d. See instructions.

a The name, address, and telephone number or email 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
SEE STATEMENT 10

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors
SEE STATEMENT 11

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Grants and Contributions Paid During the Year or Approved for Future Payment					
Recipient		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
Name and address (home or business)					
a Paid during the year STUDENT LOANS-SEE ATTACHED		NONE	N/A	EDUCATIONAL	58,750
Total					58,750
b Approved for future payment N/A					
Total					

Form 990-PF	Capital Gains and Losses for Tax on Investment Income	2017
For calendar year 2017, or tax year beginning _____, and ending _____		

Name THE VANDAL & WINIFRED MERCER TEXAS A & M EDUCATIONAL FOUNDATION	Employer Identification Number 76-0472391
--	---

(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.)
(1) 59.518 SH INVESCO DEV MKTS FD	P	04/26/17	12/13/17
(2) 10524.625 SH FROST TOTAL RETURN BD	P		12/13/17
(3) 11520.967 SH FROST TOTAL RETURN BD	P		12/13/17
(4) 2075.256 SH FROST LOW DURATION BOND	P	10/12/16	12/13/17
(5) 1440.12 SH FROST LOW DURATION BOND	P	01/05/17	12/13/17
(6) 9871.668 SH FROST KEMPNER MULTICAP	P	06/30/94	01/06/17
(7) 4740.361 SH FROST VALUE EQUITY FD	P	09/01/16	01/25/17
(8) 2808.957 SH FROST VALUE EQUITY FD	P	08/12/16	04/26/17
(9) 8732.664 SH FROST VALUE EQUITY FD	P		07/28/17
(10) 4383.424 SH FROST GROWTH EQUITY FD	P		01/25/17
(11) 416.224 SH FROST GROWTH EQUITY FD	P	01/05/17	01/25/17
(12) 2232.042 SH FROST GROWTH EQUITY FD	P	08/12/16	04/26/17
(13) 1223.837 SH ARTISAN HIGH INCOME FD	P		04/26/17
(14) 91.291 SH BLACKROCK S&P 500 STK MAST	P	01/25/17	04/26/17
(15) 19.053 SH HARDING LOEVNER EMERG MKTS	P	10/12/16	01/25/17

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
(1) 2,174		1,934	240
(2) 110,298		110,719	-421
(3) 120,740		119,818	922
(4) 21,230		21,292	-62
(5) 14,732		14,718	14
(6) 99,506		92,660	6,846
(7) 47,072		47,072	
(8) 28,736		28,005	731
(9) 79,293		86,292	-6,999
(10) 56,985		56,985	
(11) 5,411		5,282	129
(12) 31,048		29,664	1,384
(13) 12,349		12,081	268
(14) 26,035		25,052	983
(15) 896		890	6

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))
(1)			240
(2)			-421
(3)			922
(4)			-62
(5)			14
(6)			6,846
(7)			
(8)			731
(9)			-6,999
(10)			
(11)			129
(12)			1,384
(13)			268
(14)			983
(15)			6

Capital Gains and Losses for Tax on Investment Income

Form **990-PF**

2017

For calendar year 2017, or tax year beginning

, and ending

Name

**THE VANDAL & WINIFRED MERCER TEXAS
A & M EDUCATIONAL FOUNDATION**

Employer Identification Number

76-0472391

(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.)
(1) 1492.439 SH HARTFORD FLOATING RATE	P	10/12/16	12/13/17
(2) 1134.378 SH HARTFORD FLOATING RATE	P		12/13/17
(3) 8395.239 SH HARTFORD WORLD BOND FD	P		01/25/17
(4) 562.42 SH JHANCOCK DISC VAL MID CAP	P	10/12/16	04/26/17
(5) 1.348 SH T ROWE PRICE INTL DISCOVERY	P	10/12/16	01/25/17
(6) 82.525 SH T ROWE PRICE INTL DISCOVER	P		12/13/17
(7) FROST TOTAL RETURN BOND FD			
(8) FROST VALUE EQUITY FUND			
(9) FROST GROWTH EQUITY FUND			
(10) AMER BEACON STEPHENS SM CAP			
(11) COHEN & STEERS INST REALTY FD			
(12) JHANCOCK DISC VALUE MIDCAP FD			
(13) T ROWE PRICE MID CAP GRWTH FD			
(14) T ROWE PRICE INTL DISCOVERY FD			
(15) VICTORY SMALL CO OPP FUND			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
(1) 13,029		12,763	266
(2) 9,903		9,860	43
(3) 86,387		86,625	-238
(4) 12,666		11,653	1,013
(5) 75		75	
(6) 5,929		4,627	1,302
(7) 227			227
(8) 13,490			13,490
(9) 28,408			28,408
(10) 1,805			1,805
(11) 2,963			2,963
(12) 3,675			3,675
(13) 4,537			4,537
(14) 491			491
(15) 2,469			2,469

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))
(1)			266
(2)			43
(3)			-238
(4)			1,013
(5)			
(6)			1,302
(7)			227
(8)			13,490
(9)			28,408
(10)			1,805
(11)			2,963
(12)			3,675
(13)			4,537
(14)			491
(15)			2,469

Form 990-PF	Capital Gains and Losses for Tax on Investment Income	2017
For calendar year 2017, or tax year beginning _____, and ending _____		

Name THE VANDAL & WINIFRED MERCER TEXAS A & M EDUCATIONAL FOUNDATION	Employer Identification Number 76-0472391
--	---

(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.)
(1) FROST CREDIT FUND			
(2) ARTISAN HIGH INCOME FUND			
(3) BLACKROCK S&P 500 STK MASTER			
(4) HARDING LOEVNER INTL EQTY FD			
(5) HARDING LOEVNER EMERGING MKTS			
(6) MFS VALUE FUND			
(7) KEMPNER MULTICAP DEEP VAL EQT			
(8)			
(9)			
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
(1) 297			297
(2) 45			45
(3) 314			314
(4) 390			390
(5) 30			30
(6) 3,458			3,458
(7) 10,913			10,913
(8)			
(9)			
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than 0-) or Losses (from col (h))
(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	
(1)			297
(2)			45
(3)			314
(4)			390
(5)			30
(6)			3,458
(7)			10,913
(8)			
(9)			
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			

Statement 1 - Form 990-PF, Part I, Line 9 - Income Modifications

<u>Description</u>	<u>Amount</u>
LOAN REPAYMENTS	\$ <u>86,142</u>
TOTAL	\$ <u><u>86,142</u></u>

Federal Statements

Statement 2 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
OIL & GAS ROYALTY INCOME	\$ 4,790	\$ 4,790	\$ 4,790
TOTAL	\$ 4,790	\$ 4,790	\$ 4,790

Statement 3 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FORM 990 PF TAX PREP FEE	\$ 1,250	\$ 625	\$ 625	\$ 625
TOTAL	\$ 1,250	\$ 625	\$ 625	\$ 625

Statement 4 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
OIL & GAS PROFESSIONAL FEES	\$ 8	\$ 8	\$ 8	\$ 0
TOTAL	\$ 8	\$ 8	\$ 8	\$ 0

Statement 5 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXCISE TAX ON INVESTMENT INCOME	\$ 645	\$ 62	\$ 62	\$ 0
AD VALOREM TAXES ON MINERAL INTE	62	268	268	
OIL & GAS PRODUCTION TAXES	377	377	377	
FOREIGN TAXES ON DIVIDENDS				
TOTAL	\$ 1,352	\$ 707	\$ 707	\$ 0

Federal Statements

Statement 6 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXPENSES				
D & O INSURANCE	1,188			
TOTAL	<u>1,188</u>	<u>0</u>	<u>0</u>	<u>0</u>

Statement 7 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
MUTUAL FUNDS	\$ 719,827	\$ 1,411,714	COST	\$ 1,482,965
TOTAL	<u>719,827</u>	<u>1,411,714</u>		<u>1,482,965</u>

Federal Statements

Statement 8 - Form 990-PF, Part II, Line 15 - Other Assets

Description	Beginning of Year	End of Year	Fair Market Value
MINERAL INTERESTS	\$ 4	\$ 4	\$ 22,596
PREPAID EXCISE TAX	680	680	680
TOTAL	<u>\$ 684</u>	<u>\$ 684</u>	<u>\$ 23,276</u>

Statement 9 - Form 990-PF, Part III, Line 3 - Other Increases

Description	Amount
REPAYMENTS OF STUDENT LOANS	\$ 86,142
TOTAL	<u>\$ 86,142</u>

Form 990-PF, Part XV, Line 2b - Application Format and Required Contents

Description
SEE ATTACHED APPLICATION

Statement 10 - Form 990-PF, Part XV, Line 2c - Submission Deadlines

Description
APPLICATIONS ACCEPTED JANUARY 1 THROUGH MARCH 31 OF EACH YEAR

Statement 11 - Form 990-PF, Part XV, Line 2d - Award Restrictions or Limitations

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

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

Form 990-PF, Part XV, Line 3(a) Grants & Contributions Paid during 2017

<u>Name</u>	<u>Address</u>	<u>Amount</u>
Bozeman, Juliana C	1102 Candlewood Drive League City, TX 77573	\$ 2,500 00
Brewster, Conner J	2852 Everett Drive Friendswood, TX 77546	2,500 00
Cornett, Paisley N	P O Box 416 Lindsay, TX 76250	2,500 00
Crawford, Claire R	2393 Marina View Way League City, TX 77573	2,500 00
Curtis, Julia G	723 Seafoam Road Houston, TX 77062	2,500 00
Durbin, Alexandra C	3805 Oak Ridge Drive Bryan, TX 77802	2,500 00
Frazee, Matthew A	1817 N Everglades Drive Deer Park, TX 77536	2,500 00
Herrmann, Lauren F	501 Depot Street El Campo, TX 77437	1,250 00
Hueter, Elise H	109 B North Kaupo Bastrop, TX 78602	2,500 00
Ites, Kaylee E	176 Landa Street, Apt #331 New Braunfels, TX 78130	2,500 00
Lee, Matthew J	3502 E Truman Avenue Mission, TX 78572	2,500 00
Manning, Makenzie A	3418 55th Street Lubbock, TX 79413	2,500 00
Meier, Andrea M	910 Tyler Court Allen, TX 75013	2,500 00
Neptune, Kara M	520 Pecan Grove Road Sealy, TX 77474	2,500 00
Rohmer, Kyle P	31403 Timber Ridge Drive Magnolia, TX 77355	2,500 00
Rohmer, Matthew T	31403 Timber Ridge Drive Magnolia, TX 77355	2,500 00
Sacco, Jacob M	21534 Pebble Pine Court Cypress, TX 77433	2,500 00
Schott, Bradley J	30235 Fairway Ash Fair Oaks Ranch, TX 78015	2,500 00
Scott, Michael R	16131 Old Sour Lake Road Beaumont, TX 77713	2,500 00
Smith, Brent E	8105 Dellanera Hitchcock, TX 77563	2,500 00
Thompson, Madeleine A	116 Oak Drive Friendswood, TX 77546	2,500 00
Thompson, Shelby N	2310 17th Street North Texas City, TX 77590	2,500 00
Truong, Amy	2804 Tremont Springs Lane Houston, TX 77089	2,500 00
Wiegand, Emma J	205 Wilshire Drive Victoria, TX 77904	2,500 00
		<u>\$ 58,750 00</u>