

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

2008

Department of the Treasury
Internal Revenue Service (77)

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

For calendar year 2008, or tax year beginning , 2008, and ending ,

G Check all that apply: Initial return Final return Amended return Address change Name change

| | | |
|---|--|--|
| Use the IRS label. Otherwise, print or type. See Specific Instructions. | MCFADIN FOUNDATION 1250 NE LOOP 410 #400 SAN ANTONIO, TX 78209 | A Employer identification number 74-2834099 |
| | | B Telephone number (see the instructions) 210-828-3573 |

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

| | | | | | | |
|--|--|--|--|--|---|--|
| I Fair market value of all assets at end of year (from Part II, column (c), line 16) ▶ \$ 398,526. | J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.) | C If exemption application is pending, check here. <input type="checkbox"/> | D 1 Foreign organizations, check here. <input type="checkbox"/> | D 2 Foreign organizations meeting the 85% test, check here and attach computation. <input type="checkbox"/> | E If private foundation status was terminated under section 507(b)(1)(A), check here. <input type="checkbox"/> | 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 the instructions).)

| | (a) Revenue and expenses per books | (b) Net investment income | (c) Adjusted net income | (d) Disbursements for charitable purposes (cash basis only) |
|--|------------------------------------|---------------------------|-------------------------|---|
|--|------------------------------------|---------------------------|-------------------------|---|

| | (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 (att sch). | | | | |
| 2 Ck <input checked="" type="checkbox"/> if the foundn is not req to att Sch B | | | | |
| 3 Interest on savings and temporary cash investments | 1,124. | 1,124. | 1,124. | |
| 4 Dividends and interest from securities | 6,710. | 6,710. | 6,710. | |
| 5a Gross rents | | | | |
| b Net rental income or (loss) | | | | |
| 6a Net gain/(loss) from sale of assets not on line 10 | | | | |
| b Gross sales price for all assets on line 6a | | | | |
| 7 Capital gain net income (from Part IV, line 2) | | | | |
| 8 Net short-term capital gain | | | | |
| 9 Income modifications | | | | |
| 10a Gross sales less returns and allowances | | | | |
| b Less: Cost of goods sold | | | | |
| c Gross profit/(loss) (att sch) | | | | |
| 11 Other income (attach schedule) | | | | |
| 12 Total. Add lines 1 through 11 | 7,834. | 7,834. | 7,834. | |
| 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 sch) | | | | |
| c Other prof fees (attach sch) SEE ST. 1 | 800. | | | |
| 17 Interest | | | | |
| 18 Taxes (attach schedule) | | | | |
| 19 Depreciation (attach sch) and depletion | | | | |
| 20 Occupancy | | | | |
| 21 Travel, conferences, and meetings | | | | |
| 22 Printing and publications | | | | |
| 23 Other expenses (attach schedule) SEE STATEMENT 2 | 14. | | | |
| 24 Total operating and administrative expenses. Add lines 13 through 23 | 814. | | | |
| 25 Contributions, gifts, grants paid PART XV | 44,700. | | | 44,700. |
| 26 Total expenses and disbursements. Add lines 24 and 25 | 45,514. | 0. | 0. | 44,700. |
| 27 Subtract line 26 from line 12: | | | | |
| a Excess of revenue over expenses and disbursements | -37,680. | | | |
| b Net investment income (if negative, enter -0-) | | 7,834. | | |
| c Adjusted net income (if negative, enter -0-) | | | 7,834. | |

| 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 | 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 | 43,476. | 5,538. | 5,538. |
| | 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 the instructions) | | | |
| | 7 Other notes and loans receivable (attach sch) | | | |
| | Less: allowance for doubtful accounts | | | |
| | 8 Inventories for sale or use | | | |
| | 9 Prepaid expenses and deferred charges | 450. | | |
| | 10a Investments — U.S. and state government obligations (attach schedule) | | | |
| | b Investments — corporate stock (attach schedule) | 27,186. | 27,186. | |
| | c Investments — corporate bonds (attach schedule) | | | |
| | 11 Investments — land, buildings, and equipment: basis | | | |
| Less: accumulated depreciation (attach schedule) | | | | |
| 12 Investments — mortgage loans | | | | |
| 13 Investments — other (attach schedule) STATEMENT 3 | | | 392,988. | |
| 14 Land, buildings, and equipment: basis | | | | |
| Less: accumulated depreciation (attach schedule) | | | | |
| 15 Other assets (describe) | | | | |
| 16 Total assets (to be completed by all filers — see instructions. Also, see page 1, item l) | 71,112. | 32,724. | 398,526. | |
| LIABILITIES | 17 Accounts payable and accrued expenses | | | |
| | 18 Grants payable | | | |
| | 19 Deferred revenue | | | |
| | 20 Loans from officers, directors, trustees, & 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 <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31. | | | |
| | 24 Unrestricted | 71,112. | 32,724. | |
| | 25 Temporarily restricted | | | |
| | 26 Permanently restricted | | | |
| | Foundations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 31. | | | |
| | 27 Capital stock, trust principal, or current funds | | | |
| | 28 Paid-in or capital surplus, or land, building, and equipment fund | | | |
| 29 Retained earnings, accumulated income, endowment, or other funds | | | | |
| 30 Total net assets or fund balances (see the instructions) | 71,112. | 32,724. | | |
| 31 Total liabilities and net assets/fund balances (see the instructions) | 71,112. | 32,724. | | |

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 | 71,112. |
| 2 | Enter amount from Part I, line 27a | 2 | -37,680. |
| 3 | Other increases not included in line 2 (itemize) | 3 | |
| 4 | Add lines 1, 2, and 3 | 4 | 33,432. |
| 5 | Decreases not included in line 2 (itemize) SEE STATEMENT 4 | 5 | 708. |
| 6 | Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30 | 6 | 32,724. |

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 shares MLC Company) | (b) How acquired P — Purchase D — Donation | (c) Date acquired (month, day, year) | (d) Date sold (month, day, year) |
|--|--|---|-------------------------------------|
| 1 a N/A | | | |
| 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) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h)) |
|---|--------------------------------------|---|---|
| (i) Fair Market Value as of 12/31/69 | (j) Adjusted basis as of 12/31/69 | (k) Excess of column (i) over column (j), if any | |
| 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 | |
| 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 the 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 (column (b) divided by column (c)) |
| 2007 | 51,993. | 1,048,434. | 0.049591 |
| 2006 | 52,531. | 1,043,174. | 0.050357 |
| 2005 | 46,300. | 911,448. | 0.050798 |
| 2004 | 40,950. | 1,041,408. | 0.039322 |
| 2003 | 40,962. | 980,024. | 0.041797 |
| 2 Total of line 1, column (d). | | | 0.231865 |
| 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 | | | 0.046373 |
| 4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5. | | | 705,015. |
| 5 Multiply line 4 by line 3 | | | 32,694. |
| 6 Enter 1% of net investment income (1% of Part I, line 27b) | | | 78. |
| 7 Add lines 5 and 6 | | | 32,772. |
| 8 Enter qualifying distributions from Part XII, line 4. | | | 45,514. |

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 the instructions)

| | | | |
|---|----|----|-----|
| 1 a Exempt operating foundations described in section 4940(d)(2), check here. <input type="checkbox"/> and enter 'N/A' on line 1. Date of ruling letter: _____ (attach copy of ruling letter if necessary— see instructions) | | | |
| b Domestic foundations that meet the section 4940(e) requirements in Part V, check here. <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b. | | 1 | 78. |
| c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (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 | 78. |
| 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 | 78. |
| 6 Credits/Payments: | | | |
| a 2008 estimated tax pmts and 2007 overpayment credited to 2008 | 6a | | |
| 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 | 0. |
| 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 | 78. |
| 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 2009 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/> | | 11 | |

Part VII-A Statements Regarding Activities

| | Yes | No |
|--|-----|-----|
| 1 a 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 definition)? | | X |
| <i>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.</i> | | |
| 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"/> \$ <u>0.</u> (2) On foundation managers. <input type="checkbox"/> \$ <u>0.</u> | | |
| e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ <u>0.</u> | | |
| 2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities.</i> | | 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? <i>If 'Yes,' attach a conformed copy of the changes</i> | | X |
| 4 a 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? | | N/A |
| 5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T.</i> | | 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? <i>If 'Yes,' complete Part II, column (c), and Part XV.</i> | X | |
| 8 a Enter the states to which the foundation reports or with which it is registered (see the 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 <i>General Instruction G</i> ? <i>If 'No,' attach explanation</i> | 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 2008 or the taxable year beginning in 2008 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV.</i> | | X |
| 10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses.</i> | | X |

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 acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? | 12 | | X |
| 13 | Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address: <u>MCFADINFOUNDAION.ORG</u> | 13 | X | |
| 14 | The books are in care of <u>ROBERT A. GILLIAM</u> Telephone no. <u>210-979-7055</u> Located at <u>1250 NE LOOP 410 STE 400 SAN ANTONIO TX</u> ZIP + 4 <u>78209</u> | | | |
| 15 | Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 — Check here <input type="checkbox"/> N/A and enter the amount of tax-exempt interest received or accrued during the year <u>15</u> <input type="checkbox"/> N/A | | | |

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 |
|------------|--|-----|----|
| 1 a | 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 | | |
| 1 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 the instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/> | N/A | |
| 1 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 2008? | | 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 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years <u>20__ , 20__ , 20__ , 20__ .</u> | | |
| 2 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 the 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. <u>20__ , 20__ , 20__ , 20__ .</u> | | |
| 3 a | 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 | | |
| 3 b | If 'Yes,' did it have excess business holdings in 2008 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? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2008.</i>) | N/A | |
| 4 a | Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? | | X |
| 4 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 2008? | | X |

BAA

Form 990-PF (2008)

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

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

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No
- (4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see 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)?

5b N/A

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 you answered 'Yes' to 6b, also 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? 7b 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 (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 |
|---|--|---|---|---------------------------------------|
| NICK MCFADIN III 1250 NE LOOP 410, STE 400 SAN ANTONIO, TX 78209 | VICE PRESIDE 1.00 | 0. | 0. | 0. |
| TERRY MCFADIN 1250 NE LOOP 410, STE 400 SAN ANTONIO, TX 78209 | PRESIDENT 1.00 | 0. | 0. | 0. |
| ROBERT A. GILLIAM 11010 COACHLIGHT ST., SUITE 200 SAN ANTONIO, TX 78216 | SECRETARY 1.00 | 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 **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 N/A | |
| ----- | |
| 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. **0.**

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

| | | |
|---|-----------|----------|
| 1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes: | | |
| a Average monthly fair market value of securities | 1a | 673,643. |
| b Average of monthly cash balances | 1b | 42,108. |
| c Fair market value of all other assets (see instructions) | 1c | |
| d Total (add lines 1a, b, and c) | 1d | 715,751. |
| 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 | 715,751. |
| 4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions) | 4 | 10,736. |
| 5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4 | 5 | 705,015. |
| 6 Minimum investment return. Enter 5% of line 5 | 6 | 35,251. |

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 | 35,251. |
| 2a Tax on investment income for 2008 from Part VI, line 5 | 2a | 78. |
| b Income tax for 2008. (This does not include the tax from Part VI.) | 2b | |
| c Add lines 2a and 2b | 2c | 78. |
| 3 Distributable amount before adjustments. Subtract line 2c from line 1 | 3 | 35,173. |
| 4 Recoveries of amounts treated as qualifying distributions | 4 | |
| 5 Add lines 3 and 4 | 5 | 35,173. |
| 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 | 35,173. |

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 | 45,514. |
| 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 | 45,514. |
| 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 | 78. |
| 6 Adjusted qualifying distributions. Subtract line 5 from line 4 | 6 | 45,436. |

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 2007 | (c) 2007 | (d) 2008 |
|---|---------------|----------------------------|-------------|-------------|
| 1 Distributable amount for 2008 from Part XI, line 7..... | | | | 35,173. |
| 2 Undistributed income, if any, as of the end of 2007: | | | | |
| a Enter amount for 2007 only..... | | | 44,420. | |
| b Total for prior years: 20 ____, 20 ____, 20 ____ | | 0. | | |
| 3 Excess distributions carryover, if any, to 2008: | | | | |
| a From 2003..... | | | | |
| b From 2004..... | | | | |
| c From 2005..... | | | | |
| d From 2006..... | | | | |
| e From 2007..... | | | | |
| f Total of lines 3a through e..... | 0. | | | |
| 4 Qualifying distributions for 2008 from Part XII, line 4: ▶ \$ <u>45,514.</u> | | | | |
| a Applied to 2007, but not more than line 2a.... | | | 44,420. | |
| b Applied to undistributed income of prior years (Election required — see instructions)..... | | 0. | | |
| c Treated as distributions out of corpus (Election required — see instructions)..... | 0. | | | |
| d Applied to 2008 distributable amount..... | | | | 1,094. |
| e Remaining amount distributed out of corpus... | 0. | | | |
| 5 Excess distributions carryover applied to 2008..... (If an amount appears in column (d), the same amount must be shown in column (a).) | 0. | | | 0. |
| 6 Enter the net total of each column as indicated below: | | | | |
| a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5..... | 0. | | | |
| b Prior years' undistributed income. Subtract line 4b from line 2b..... | | 0. | | |
| 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..... | | 0. | | |
| d Subtract line 6c from line 6b. Taxable amount — see instructions..... | | 0. | | |
| e Undistributed income for 2007. Subtract line 4a from line 2a. Taxable amount — see instructions..... | | | 0. | |
| f Undistributed income for 2008. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2009..... | | | | 34,079. |
| 7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)..... | 0. | | | |
| 8 Excess distributions carryover from 2003 not applied on line 5 or line 7 (see instructions)... | 0. | | | |
| 9 Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a..... | 0. | | | |
| 10 Analysis of line 9: | | | | |
| a Excess from 2004..... | | | | |
| b Excess from 2005..... | | | | |
| c Excess from 2006..... | | | | |
| d Excess from 2007..... | | | | |
| e Excess from 2008..... | | | | |

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

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 2008, enter the date of the ruling. ▶

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

| | Tax year | Prior 3 years | | | (e) Total |
|--|----------|---------------|----------|----------|-----------|
| | (a) 2008 | (b) 2007 | (c) 2006 | (d) 2005 | |
| 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 | | | | | |
| 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 organization had \$5,000 or more in assets at any time during the year – see instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)
 NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.
 NONE

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

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

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

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

c Any submission deadlines:

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

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 SEE STATEMENT 5 | | | | |
| Total ▶ 3a | | | | 44,700. |
| b Approved for future payment | | | | |
| Total ▶ 3b | | | | |

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**STATEMENT 1
FORM 990-PF, PART I, LINE 16C
OTHER PROFESSIONAL FEES**

| | (A) EXPENSES PER BOOKS | (B) NET INVESTMENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|----------------------------------|------------------------------|---------------------------------|-------------------------------|-------------------------------|
| GILLIAM & ASSOC- TAX RETURN..... | \$ 800. | | | |
| TOTAL | \$ 800. | \$ 0. | \$ 0. | \$ 0. |

**STATEMENT 2
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES**

| | (A) EXPENSES PER BOOKS | (B) NET INVESTMENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|-----------------------------------|------------------------------|---------------------------------|-------------------------------|-------------------------------|
| OFFICE EXPENSES-POSTAGE, ETC..... | \$ 14. | | | |
| TOTAL | \$ 14. | \$ 0. | \$ 0. | \$ 0. |

**STATEMENT 3
FORM 990-PF, PART II, LINE 13
INVESTMENTS - OTHER**

| | VALUATION METHOD | BOOK VALUE | FAIR MARKET VALUE |
|-------------------|---------------------|---------------|----------------------|
| OTHER INVESTMENTS | COST | \$ 0. | \$ 392,988. |
| TOTAL | | \$ 0. | \$ 392,988. |

**STATEMENT 4
FORM 990-PF, PART III, LINE 5
OTHER DECREASES**

| | |
|--|---------|
| 2007 FEDERAL INCOME TAXES AND PENALTIES..... | \$ 708. |
| TOTAL | \$ 708. |

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**STATEMENT 5
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR**

| <u>NAME AND ADDRESS</u> | <u>DONEE RELATIONSHIP</u> | <u>FOUND- ATION STATUS</u> | <u>PURPOSE OF GRANT</u> | <u>AMOUNT</u> |
|--|-------------------------------|------------------------------------|-----------------------------|---------------|
| M D ANDERSON HOSPITAL 1515 HOLCOMBE BLVD HOUSTON, TX 77030, | NONE | PUBLIC | UNRESTRICTED | \$ 9,000. |
| SW SCHOOL OF ARTS & CRAFT 300 AUGUSTA ST SAN ANTONIO, TX 78205, | NONE | PUBLIC | UNRESTRICTED | 450. |
| U.T. HLTH SCIENCE CENTER 7000 FANNIN #1707 HOUSTON, TX 77030, | NONE | PUBLIC | UNRESTRICTED | 14,000. |
| CANCER THERAPY & RESEARCH 7979 WURZBACH RD, #600 SAN ANTONIO, TX 78229, | NONE | PUBLIC | UNRESTRICTED | 9,000. |
| ST JUDES RANCH FOR CHILDE 1400 RIVER CREEK LANE BULVERDE, TX 78163, | NONE | PUBLIC | UNRESTRICTED | 1,000. |
| KLRN 501 BROADWAY SA , TX 78215 | NONE | PUBLIC | UNRESTRICTED | 2,250. |
| CYSTIC FIBROSIS FOUNDATION 8620 N. NEW BRAUNFELS, #110 SAN ANTONIO, TEXAS 78217, | NONE | PUBLIC | UNRESTRICTED | 200. |
| BUCKNER FANNING SCHOOL AT MISSION SPRINGS-975 MISSION SAN ANTONIO, TX 78258, | NONE | PUBLIC | UNRESTRICTED | 5,000. |
| HOLY ROSARY ST VINCENT DEPAUL 159 CAMINO SANTA MARIA SAN ANTONIO, TX 78223 | NONE | PUBLIC | UNRESTRICTED | 100. |
| BOYSVILLE 8555 E. LOOP 1604 NORTH SAN ANTONIO, TX 78109, | NONE | PUBLIC | UNRESTRICTED | 500. |
| MASONIC HOME AND SCHOOL OF TEX 338 GRAPEVINE HWY HURST, TX 76054 | NONE | PUBLIC | UNRESTRICTED. | 100. |
| SAN ANTONIO CRUISERS 2610 PEOPLE BOW SAN ANTONIO, TX 78232 | NONE | PUBLIC | UNRESTRICTED | 1,000. |

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**STATEMENT 5 (CONTINUED)
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR**

| <u>NAME AND ADDRESS</u> | <u>DONEE RELATIONSHIP</u> | <u>FOUND- ATION STATUS</u> | <u>PURPOSE OF GRANT</u> | <u>AMOUNT</u> |
|---|-------------------------------|------------------------------------|-----------------------------|----------------|
| SUSAN G. KOMEN FOUNDATION 527 N. LEONA ST. SAN ANTONIO, TX 78207, | NONE | PUBLIC | UNRESTRICTED. | \$ 1,000. |
| NEW BRAUNFELS CHRISTIAN ACADEMY 220 FM 1863 NEW BRAUNFELS, TX 78132 | NONE | PUBLIC | UNRESTRICTED | 1,000. |
| EPILEPSY FOUNDATION OF TX 10615 PERRIN BEITEL #602 SAN ANTONIO, TX 78217, | NONE | PUBLIC | UNRESTRICTED | 100. |
| | | | TOTAL \$ | <u>44,700.</u> |

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INTERNAL REVENUE SERVICE

A. THIS PRIVATE FOUNDATION MAKES ITS ANNUAL RETURNS AND ITS EXEMPTION DOCUMENTATION AVAILABLE ON THE INTERNET UNDER MCFADINFOUNDAATION.ORG.

B. THIS PRIVATE FOUNDATION ALSO INDICATES AT THIS SITE THAT THE ANNUAL RETURNS AND ITS EXEMPTION APPLICATION ARE AVAILABLE FOR PUBLIC INSPECTION WITHOUT CHARGE AT ITS SOLE LOCATION DURING REGULAR BUSINESS HOURS.

C. THE SECRETARY, ROBERT A. GILLIAM, IS AN EMPLOYEE OF GILLIAM & ASSOCIATES, P.C., A COMPANY THAT WAS PAID \$800.00 FOR PREPARATION OF THE 2007 FORM 990-PF. THIS \$800.00 ALSO INCLUDES PAYMENT FOR INTERNET CHARGES FOR THE WEB SITE.

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

2008

For calendar year 2008 or other tax year beginning _____, 2008,
and ending _____, _____
▶ See separate instructions.

Open to Public Inspection for
501(c)(3) Organizations Only

Department of the Treasury
Internal Revenue Service

| | | | | | | | | | | | |
|---|---|---------------------------------|---------------------------------|---------------------------------|-------------------------------|--|---------------------------------|--|----------------------|---|--|
| <p>A <input type="checkbox"/> Check box if address changed</p> <p>B Exempt under section</p> <table style="width:100%;"> <tr> <td><input checked="" type="checkbox"/> 501(c)(3)</td> <td><input type="checkbox"/> 220(e)</td> </tr> <tr> <td><input type="checkbox"/> 408(e)</td> <td><input type="checkbox"/> 530(a)</td> </tr> <tr> <td><input type="checkbox"/> 408A</td> <td></td> </tr> <tr> <td><input type="checkbox"/> 529(a)</td> <td></td> </tr> </table> | <input checked="" type="checkbox"/> 501(c)(3) | <input type="checkbox"/> 220(e) | <input type="checkbox"/> 408(e) | <input type="checkbox"/> 530(a) | <input type="checkbox"/> 408A | | <input type="checkbox"/> 529(a) | | Print or Type | <p>MCFADIN FOUNDATION 1250 NE LOOP 410 #400 SAN ANTONIO, TX 78209</p> | <p>D Employer identification number (Employees' trust, see instructions for Block D.) 74-2834099</p> <p>E Unrelated business activity codes (See instructions for Block E.)</p> |
| <input checked="" type="checkbox"/> 501(c)(3) | <input type="checkbox"/> 220(e) | | | | | | | | | | |
| <input type="checkbox"/> 408(e) | <input type="checkbox"/> 530(a) | | | | | | | | | | |
| <input type="checkbox"/> 408A | | | | | | | | | | | |
| <input type="checkbox"/> 529(a) | | | | | | | | | | | |

| | |
|--|---|
| <p>C Book value of all assets at end of year 32,724.</p> | <p>F Group exemption number (See instructions for Block F.) ▶</p> <p>G Check organization type ▶ <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust</p> |
|--|---|

H Describe the organization's primary unrelated business activity.
▶

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ Yes No
If 'Yes,' enter the name and identifying number of the parent corporation. . . . ▶

J The books are in care of ▶ **ROBERT A. GILLIAM** Telephone number ▶ **210-979-7055**

| Part I Unrelated Trade or Business Income | (A) Income | (B) Expenses | (C) Net |
|---|------------|--------------|---------|
| 1 a Gross receipts or sales | | | |
| b Less returns and allowances c Balance ▶ | 1 c | | |
| 2 Cost of goods sold (Schedule A, line 7) | 2 | | |
| 3 Gross profit. Subtract line 2 from line 1c | 3 | | |
| 4 a Capital gain net income (attach Schedule D) | 4 a | | |
| b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797) | 4 b | | |
| c Capital loss deduction for trusts | 4 c | | |
| 5 Income (loss) from partnerships and S corporations (attach statement) | 5 | | |
| 6 Rent income (Schedule C) | 6 | | |
| 7 Unrelated debt-financed income (Schedule E) | 7 | | |
| 8 Interest, annuities, royalties, and rents from controlled organizations (Schedule F) | 8 | | |
| 9 Investment income of a section 501(c)(7), (9), or (17) organization (Sch G) | 9 | | |
| 10 Exploited exempt activity income (Schedule I) | 10 | | |
| 11 Advertising income (Schedule J) | 11 | | |
| 12 Other income (See instructions; attach schedule.) | 12 | | |
| 13 Total. Combine lines 3 through 12 | 13 | 0. | 0. |

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.)
(Except for contributions, deductions must be directly connected with the unrelated business income.)

| | | |
|--|-------------|-------------|
| 14 Compensation of officers, directors, and trustees (Schedule K) | 14 | |
| 15 Salaries and wages | 15 | |
| 16 Repairs and maintenance | 16 | |
| 17 Bad debts | 17 | |
| 18 Interest (attach schedule) | 18 | |
| 19 Taxes and licenses | 19 | |
| 20 Charitable contributions (See instructions for limitation rules.) | 20 | |
| 21 Depreciation (attach Form 4562) | 21 | |
| 22 Less depreciation claimed on Schedule A and elsewhere on return | 22 a | 22 b |
| 23 Depletion | 23 | |
| 24 Contributions to deferred compensation plans | 24 | |
| 25 Employee benefit programs | 25 | |
| 26 Excess exempt expenses (Schedule I) | 26 | |
| 27 Excess readership costs (Schedule J) | 27 | |
| 28 Other deductions (attach schedule) | 28 | |
| 29 Total deductions. Add lines 14 through 28 | 29 | |
| 30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13 | 30 | |
| 31 Net operating loss deduction (limited to the amount on line 30) | 31 | |
| 32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30 | 32 | 0. |
| 33 Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions) | 33 | |
| 34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32 | 34 | 0. |

Part III Tax Computation

| | |
|--|--|
| 35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here. <input type="checkbox"/> . See instructions and: a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ _____ (2) \$ _____ (3) \$ _____ b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ _____ (2) Additional 3% tax (not more than \$100,000) \$ _____ c Income tax on the amount on line 34 ▶ 35c 0. | |
| 36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041) ▶ 36 | |
| 37 Proxy tax. See instructions ▶ 37 | |
| 38 Alternative minimum tax. ▶ 38 | |
| 39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies ▶ 39 0. | |

Part IV Tax and Payments

| | |
|--|--|
| 40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) 40a | |
| b Other credits (see instructions) 40b | |
| c General business credit. Check here and indicate which forms are attached: <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form(s) (specify) ▶ _____ 40c | |
| d Credit for prior year minimum tax (attach Form 8801 or 8827) 40d | |
| e Total credits. Add lines 40a through 40d 40e 0. | |
| 41 Subtract line 40e from line 39 41 0. | |
| 42 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611... <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule) 42 | |
| 43 Total tax. Add lines 41 and 42 43 0. | |
| 44a Payments: A 2007 overpayment credited to 2008 44a | |
| b 2008 estimated tax payments 44b | |
| c Tax deposited with Form 8868 44c | |
| d Foreign organizations: Tax paid or withheld at source (see instructions) 44d | |
| e Backup withholding (see instructions) 44e | |
| f Other credits and payments: <input type="checkbox"/> Form 2439 _____ <input type="checkbox"/> Form 4136 _____ <input type="checkbox"/> Other _____ Total... ▶ 44f | |
| 45 Total payments. Add lines 44a through 44f 45 0. | |
| 46 Estimated tax penalty (see instructions). Check if Form 2220 is attached. ▶ <input type="checkbox"/> 46 | |
| 47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed ▶ 47 | |
| 48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid ▶ 48 | |
| 49 Enter the amount of line 48 you want: Credited to 2009 estimated tax ▶ Refunded ▶ 49 | |

Part V Statements Regarding Certain Activities and Other Information (see instructions.)

| | | |
|---|-----|----|
| 1 At any time during the 2008 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here. ▶ _____ | Yes | No |
| 2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? ... If YES, see the instructions for other forms the organization may have to file. | | X |
| 3 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ 0. | | |

Schedule A – Cost of Goods Sold. Enter method of inventory valuation ▶

| | | | |
|---|--|---|--------|
| 1 Inventory at beginning of year 1 | | 6 Inventory at end of year 6 | |
| 2 Purchases 2 | | 7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2. 7 | |
| 3 Cost of labor 3 | | | |
| 4a Additional section 263A costs (attach schedule) 4a | | | Yes No |
| b Other costs (attach sch) 4b | | | |
| 5 Total. Add lines 1 through 4b 5 | | 8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? | Yes No |

| | | |
|---------------------------------|--|---|
| Sign Here | Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. | |
| | Signature of officer ▶ _____ Date | PRESIDENT Title Date 5/21/09 Check if self-employed <input type="checkbox"/> Preparer's SSN or PTIN 550-34-4461 May the IRS discuss this return with the preparer shown below (see instructions)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Paid Preparer's Use Only | Preparer's signature ▶ ROBERT A. GILLIAM, CPA | Date 5/21/09 |
| | Firm's name (or yours if self-employed), address, and ZIP code ▶ GILLIAM & ASSOCIATES, P.C. 11010 COACHLIGHT ST. SUITE 200 SAN ANTONIO, TX 78216 | EIN 74-2636878 Phone no. (210) 979-7055 |

Schedule C – Rent Income (From Real Property and Personal Property Leased With Real Property) (see instructions)

| 1 Description of property | | 2 Rent received or accrued | | 3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule) |
|---|---|----------------------------|-----|---|
| (a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%) | (b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income) | (1) | (2) | |
| (1) | | | | |
| (2) | | | | |
| (3) | | | | |
| (4) | | | | |
| Total | | Total | | (b) Total deductions. Enter here and on page 1, Part I, line 6, column (B). ▶ |

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A). ▶

Schedule E – Unrelated Debt-Financed Income (see instructions)

| 1 Description of debt-financed property | 2 Gross income from or allocable to debt-financed property | 3 Deductions directly connected with or allocable to debt-financed property | | 4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule) | 5 Average adjusted basis of or allocable to debt-financed property (attach schedule) | 6 Column 4 divided by column 5 | 7 Gross income reportable (column 2 x column 6) | 8 Allocable deductions (column 6 x total of columns 3(a) and 3(b)) |
|---|--|---|--|--|--|--------------------------------|---|--|
| | | (a) Straight line depreciation (attach sch) | (b) Other deductions (attach schedule) | | | | | |
| (1) | | | | | | % | | |
| (2) | | | | | | % | | |
| (3) | | | | | | % | | |
| (4) | | | | | | % | | |
| Totals | | | | | | | Enter here and on page 1, Part I, line 7, column (A). | Enter here and on page 1, Part I, line 7, column (B). |

Total dividends-received deductions included in column 8. ▶

Schedule F – Interest, Annuities, Royalties, and Rents from Controlled Organizations (see instructions)

| 1 Name of Controlled Organization | 2 Employer Identification Number | Exempt Controlled Organizations | | | | 6 Deductions directly connected with income in column 5 |
|------------------------------------|----------------------------------|--|--|--|---|---|
| | | 3 Net unrelated income (loss) (see instructions) | 4 Total of specified payments made | 5 Part of column 4 that is included in the controlling organization's gross income | | |
| (1) | | | | | | |
| (2) | | | | | | |
| (3) | | | | | | |
| (4) | | | | | | |
| Nonexempt Controlled Organizations | | 7 Taxable Income | 8 Net unrelated income (loss) (see instructions) | 9 Total of specified payments made | 10 Part of column 9 that is included in the controlling organization's gross income | 11 Deductions directly connected with income in column 10 |
| (1) | | | | | | |
| (2) | | | | | | |
| (3) | | | | | | |
| (4) | | | | | | |
| Totals | | | | | Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A). | Add columns 6 and 11. Enter here and on page 1, part I, line 8, column (B). |

Schedule G – Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

| 1 Description of income | 2 Amount of income | 3 Deductions directly connected (attach schedule) | 4 Set-asides (attach schedule) | 5 Total deductions and set-asides (column 3 plus column 4) |
|-------------------------|---|---|--------------------------------|--|
| (1) | | | | |
| (2) | | | | |
| (3) | | | | |
| (4) | | | | |
| Totals | Enter here and on page 1, Part I, line 9, column (A). | | | Enter here and on page 1, Part I, line 9, column (B). |

Schedule I – Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

| 1 Description of exploited activity | 2 Gross unrelated business income from trade or business | 3 Expenses directly connected with production of unrelated business income | 4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute columns 5 through 7. | 5 Gross income from activity that is not unrelated business income | 6 Expenses attributable to column 5 | 7 Excess exempt expenses (column 6 minus column 5, but not more than column 4). |
|-------------------------------------|--|--|---|--|-------------------------------------|---|
| (1) | | | | | | |
| (2) | | | | | | |
| (3) | | | | | | |
| (4) | | | | | | |
| Totals | Enter here and on page 1, Part I, line 10, column (A). | Enter here and on page 1, Part I, line 10, column (B). | | | | Enter here and on page 1, Part II, line 26. |

Schedule J – Advertising Income (See instructions.)

Part I Income From Periodicals Reported on a Consolidated Basis

| 1 Name of periodical | 2 Gross advertising income | 3 Direct advertising costs | 4 Advertising gain or (loss) (column 2 minus column 3). If a gain, compute columns 5 through 7. | 5 Circulation income | 6 Readership costs | 7 Excess readership costs (column 6 minus column 5, but not more than column 4). |
|--|----------------------------|----------------------------|---|----------------------|--------------------|--|
| (1) | | | | | | |
| (2) | | | | | | |
| (3) | | | | | | |
| (4) | | | | | | |
| Totals (carry to Part II, line (5)) | | | | | | |

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

| 1 Name of periodical | 2 Gross advertising income | 3 Direct advertising costs | 4 Advertising gain or (loss) (column 2 minus column 3). If a gain, compute columns 5 through 7. | 5 Circulation income | 6 Readership costs | 7 Excess readership costs (column 6 minus column 5, but not more than column 4). |
|--|--|--|---|----------------------|--------------------|--|
| (1) | | | | | | |
| (2) | | | | | | |
| (3) | | | | | | |
| (4) | | | | | | |
| (5) Totals from Part I | | | | | | |
| Totals, Part II (lines 1-5) | Enter here and on page 1, Part I, line 11, column (A). | Enter here and on page 1, Part I, line 11, column (B). | | | | Enter here and on page 1, Part II, line 27. |

Schedule K – Compensation of Officers, Directors, and Trustees (see instructions)

| 1 Name | 2 Title | 3 Percent of time devoted to business | 4 Compensation attributable to unrelated business |
|--|---------|---------------------------------------|---|
| | | 0% | |
| | | 0% | |
| | | 0% | |
| | | 0% | |
| Total. Enter here and on page 1, Part II, line 14. | | | |