Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

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

OMB No 1545-0052

2008

For calendar year 2008, or tax year beginning , **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.	Name of foundation THE KARAKIN FOUNDATION	**A Employer identification number** 75-2692023
	Number and street (or P O box number if mail is not delivered to street address) / Room/suite P.O. BOX 2079	**B** Telephone number (325)677-6251
	City or town, state, and ZIP code ABILENE, TX 79604	**C** If exemption application is pending, check here ▶☐ **D** 1. Foreign organizations, check here ▶☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ▶☐

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

I Fair market value of all assets at end of year *(from Part II, col (c), line 16)* ▶$ 36,979,948.

J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) *(Part I, column (d) must be on cash basis)*

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

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶☐

Part I **Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		**(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	37,361,427.		N/A	
	2 Check ▶☐ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	6,603.	6,603.		STATEMENT 2
	4 Dividends and interest from securities	229,161.	229,161.		STATEMENT 3
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	<833,555.>			STATEMENT 1
	b Gross sales price for all assets on line 6a 2,265,716.				
	7 Capital gain net income (from Part IV, line 2)		0.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances 61,688.				STATEMENT 4
	b Less Cost of goods sold 16,692.				STATEMENT 5
	c Gross profit or (loss)	44,996.			
	11 Other income	2,011,495.	1,774,683.		STATEMENT 6
	12 **Total.** Add lines 1 through 11	38,820,127.	2,010,447.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees STMT 7	46,042.	0.		0.
	b Accounting fees STMT 8	36,749.	5,645.		0.
	c Other professional fees				
	17 Interest				
	18 Taxes STMT 9	67,081.	65,108.		0.
	19 Depreciation and depletion	291,229.	220,493.		
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 10	31,452.	31,452.		0.
	24 **Total operating and administrative expenses** Add lines 13 through 23	472,553.	322,698.		0.
	25 Contributions, gifts, grants paid	69,500.			69,500.
	26 **Total expenses and disbursements.** Add lines 24 and 25	542,053.	322,698.		69,500.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	38,278,074.			
	b **Net investment income** (if negative, enter -0-)		1,687,749.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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LHA **For Privacy Act and Paperwork Reduction Act Notice, see the instructions**

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Part II **Balance Sheets** Attached schedules and amounts in the description column should be for end-of-year amounts only

			Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing	1,982.	508,216.	508,216.
	2	Savings and temporary cash investments	256.	1,367,086.	1,367,086.
	3	Accounts receivable ▶ 15.			
		Less: allowance for doubtful accounts ▶		15.	15.
	4	Pledges receivable ▶			
		Less: allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons			
	7	Other notes and loans receivable ▶			
		Less: allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges	880.		
	10a	Investments - U.S. and state government obligations			
	b	Investments - corporate stock STMT 13	766,768.	14,793,001.	20,202,576.
	c	Investments - corporate bonds			
	11	Investments - land, buildings, and equipment basis ▶			
		Less accumulated depreciation ▶			
	12	Investments - mortgage loans			
	13	Investments - other STMT 14	0.	3,383,777.	7,416,788.
	14	Land, buildings, and equipment: basis ▶			
		Less accumulated depreciation ▶			
	15	Other assets (describe ▶ STATEMENT 15)	652,982.	905,172.	7,485,267.
	16	**Total assets** (to be completed by all filers)	1,422,868.	20,957,267.	36,979,948.
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable			
	22	Other liabilities (describe ▶)			
	23	**Total liabilities** (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds	1,422,868.	20,957,267.	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29	Retained earnings, accumulated income, endowment, or other funds	0.	0.	
	30	**Total net assets or fund balances**	1,422,868.	20,957,267.	
	31	**Total liabilities and net assets/fund balances**	1,422,868.	20,957,267.	

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	1,422,868.
2	Enter amount from Part I, line 27a	2	38,278,074.
3	Other increases not included in line 2 (itemize) ▶ PERCENTAGE DEPLETION	3	112,597.
4	Add lines 1, 2, and 3	4	39,813,539.
5	Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 12	5	18,856,272.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	20,957,267.

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Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a				
b	SEE ATTACHED STATEMENTS			
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	2,265,716.		3,099,271.	<833,555.>

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				
b				
c				
d				
e				<833,555.>

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	<833,555.>
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8		3	N/A

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2007	87,027.	1,674,847.	.051961
2006	8,200.	1,384,517.	.005923
2005	60,905.	1,274,743.	.047778
2004	50,633.	1,190,191.	.042542
2003	11,195.	819,228.	.013665

2 **Total** of line 1, column (d)	2	.161869
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	.032374
4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5	4	18,588,634.
5 Multiply line 4 by line 3	5	601,788.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	16,877.
7 Add lines 5 and 6	7	618,665.
8 Enter qualifying distributions from Part XII, line 4	8	69,500.

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling 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 ▶ ☐ and enter 1% of Part I, line 27b			1	33,755.
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	33,755.
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	33,755.
6 Credits/Payments:				
a 2008 estimated tax payments and 2007 overpayment credited to 2008	6a	1,000.		
b Exempt foreign organizations - tax withheld at source	6b			
c Tax paid with application for extension of time to file (Form 8868)	6c	40,000.		
d Backup withholding erroneously withheld	6d			
7 Total credits and payments. Add lines 6a through 6d			7	41,000.
8 Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached			8	
9 **Tax due** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	7,245.
11 Enter the amount of line 10 to be: **Credited to 2009 estimated tax** ▶		7,245. **Refunded** ▶	11	0.

Part VII-A Statements Regarding Activities

		Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
If the answer is "Yes" to **1a** *or* **1b**, *attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ 0. **(2)** On foundation managers. ▶ $ 0.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a	X	
b If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b	X	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7 Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ TX			
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2008 or the taxable year beginning in 2008 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

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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)	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?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ JOSEPH B. MATTHEWS Telephone no. ▶ (325) 677-6251

Located at ▶ 993 NORTH 3RD STREET, ABILENE, TX ZIP+4 ▶ 79601

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 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
1a	During the year did the foundation (either directly or indirectly):				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception**. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?	N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2008?		1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):				
a	At the end of tax year 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008?	☐ Yes ☒ No			
	If "Yes," list the years ▶ ______, ______, ______, ______				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.)	N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ______, ______, ______, ______				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☒ Yes ☐ No			
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? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2008.)*		3b		X
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2008?		4b		X

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

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

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

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

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

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

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

b If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? N/A 5b

Organizations relying on a current notice regarding disaster assistance check here ▶☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53 4945-5(d).

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? 6b X

If 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? N/A 7b

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

1 List all officers, directors, trustees, foundation managers and their compensation.

(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
JOSEPH B. MATTHEWS P. O. BOX 2079 ABILENE, TX 79604	DIRECTOR, PRESIDENT 0.50	0.	0.	0.
LEROY BOLT 993 NORTH 3RD STREET ABILENE, TX 79601	DIRECTOR, V.P./TREASURER 0.50	0.	0.	0.
DAVID L. BUHRMANN 400 PINE STREET, SUITE 800 ABILENE, TX 79601	DIRECTOR, SECRETARY 0.50	0.	0.	0.

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

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

Total number of other employees paid over $50,000 ▶ 0

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

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	**(b)** Type of service	**(c)** Compensation
NONE		

Total number of others receiving over $50,000 for professional services ▶ 0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments. See instructions. 3	
Total. Add lines 1 through 3 ▶	0.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	10,633,517.
b	Average of monthly cash balances	1b	787,165.
c	Fair market value of all other assets	1c	7,451,028.
d	**Total** (add lines 1a, b, and c)	1d	18,871,710.
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	18,871,710.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	283,076.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	18,588,634.
6	**Minimum investment return.** Enter 5% of line 5	6	929,432.

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	929,432.
2a	Tax on investment income for 2008 from Part VI, line 5	2a	33,755.		
b	Income tax for 2008. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	33,755.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	895,677.
4	Recoveries of amounts treated as qualifying distributions			4	0.
5	Add lines 3 and 4			5	895,677.
6	Deduction from distributable amount (see instructions)			6	0.
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	895,677.

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	69,500.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	69,500.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	**Adjusted qualifying distributions** Subtract line 5 from line 4	6	69,500.

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

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Part XIII Undistributed Income (see instructions)

		(a) Corpus	(b) Years prior to 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7					895,677.
2 Undistributed income, if any, as of the end of 2007					
a Enter amount for 2007 only				63,071.	
b Total for prior years: ______ , ______ , ______			0.		
3 Excess distributions carryover, if any, to 2008:					
a From 2003	242,711.				
b From 2004	396,694.				
c From 2005	770,483.				
d From 2006	937,989.				
e From 2007	149,028.				
f Total of lines 3a through e		2,496,905.			
4 Qualifying distributions for 2008 from Part XII, line 4: ▶ $ 69,500.					
a Applied to 2007, but not more than line 2a				63,071.	
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					6,429.
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).)		889,248.			889,248.
6 Enter the net total of each column as indicated below:					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		1,607,657.			
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 instr.				0.	
f Undistributed income for 2008. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2009					0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)		0.			
8 Excess distributions carryover from 2003 not applied on line 5 or line 7		0.			
9 Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a		1,607,657.			
10 Analysis of line 9:					
a Excess from 2004					
b Excess from 2005	520,640.				
c Excess from 2006	937,989.				
d Excess from 2007	149,028.				
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			
	(a) 2008	(b) 2007	(c) 2006	(d) 2005	(e) Total
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 foundation had $5,000 or more in assets at any time during the year-see the 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).)

JOSEPH B. MATTHEWS

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*				
ARMED FORCES SUPPORT COALITION, P O BOX 2613, DURANGO, CO 81302	N/A	501(C)(3)	OPERATIONAL SUPPORT	45,000.
FOUNDATION FOR THE PEOPLE OF BURMA, P.O. BOX 813, NICASIO, CA 94946	N/A	501(C)(3)	OPERATIONAL SUPPORT	9,000.
DURANGO WILDLIFE REHABILITATION CENTER, 1073 EAST THIRD AVENUE, DURANGO, CO	N/A	501(C)(3)	OPERATIONAL SUPPORT	500.
LAWRENCEVILLE SCHOOL, P.O. BOX 6125, LAWRENCEVILLE, NJ 08648	N/A	501(C)(3)	OPERATIONAL SUPPORT	10,000.
LAS PLACITAS ASSOCIATION, P.O. BOX 888, PLACITAS, NM 87043	N/A	501(C)(3)	OPERATIONAL SUPPORT	5,000.
Total			▶ 3a	69,500.
b *Approved for future payment*				
NONE				
Total			▶ 3b	0.

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Form **990-PF** (2008)

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	6,603.	
4 Dividends and interest from securities			14	229,161.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income	211110	236,812.	15	1,774,683.	
8 Gain or (loss) from sales of assets other than inventory			18	<833,555.>	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory	211110	44,996.			
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		281,808.		1,176,892.	0.

13 **Total**. Add line 12, columns (b), (d), and (e) 13 1,458,700.

(See worksheet in line 13 instructions to verify calculations.)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☒ Yes ☐ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
	TITLE	SEE STATEMENT 16
KARAKIN PROPERTIES LLC	HOLDING CORP	

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

▶ Joe B. Mart 1/26/10 ▶ PRESIDENT

Signature of officer or trustee Date Title

Paid Preparer's Use Only

Preparer's signature ▶ Leroy Bolt

Date 12-29-09

Check if self-employed ▶ ☐

Preparer's identifying number

Firm's name (or yours if self-employed), address, and ZIP code ▶ CONDLEY AND COMPANY, L.L.P.
P. O. BOX 2993
ABILENE, TEXAS 79604-2993

EIN ▶

Phone no. (325) 677-6251

Form **990-PF** (2008)

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01-02-09

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ **Attach to Form 990, 990-EZ, and 990-PF.**

OMB No 1545-0047

2008

Name of the organization
THE KARAKIN FOUNDATION

Employer identification number
75-2692023

Organization type (check one)·

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.** (**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.)

General Rule

☒ For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor Complete Parts I and II

Special Rules

☐ For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on Form 990, Part VIII, line 1h or 2% of the amount on Form 990-EZ, line 1 Complete Parts I and II

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc , purposes, but these contributions did not aggregate to more than $1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc , contributions of $5,000 or more during the year.) ▶ $ ____________

Caution. Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** answer "No" on Part IV, line 2 of their Form 990, or check the box in the heading of their Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA **For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. These instructions will be issued separately.**

Schedule B (Form 990, 990-EZ, or 990-PF) (2008) Page 1 of 1 of Part I

Name of organization	Employer identification number
THE KARAKIN FOUNDATION	75-2692023

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	DODGE JONES FOUNDATION P.O. BOX 176 ABILENE, TX 79604	$ 35,161,427.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution.)
2	DODGE JONES FOUNDATION P.O. BOX 176 ABILENE, TX 79604	$ 2,200,000.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization	Employer identification number
THE KARAKIN FOUNDATION	75-2692023

Part II Noncash Property (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	SEE ATTACHED STATEMENT 19 - SCHEDULE OF CONTRIBUTIONS	$ 35,161,427.	07/01/08

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

THE KARAKIN FOUNDATION

CONTINUATION FOR 990-PF, PART IV
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Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	AMERICAN EXPRESS/18,818 SHS	P	VARIOUS	12/16/08
b	APOLLO GROUP/6,115 SHS	P	VARIOUS	09/04/08
c	STARBUCKS CORP/45,245 SHS	P	VARIOUS	11/11/08
d	TARGET CORP/1,000 SHS	P	VARIOUS	09/18/08
e	WEATHERFORD INTL/1,800 SHS	P	07/08/08	12/18/08
f	CAPITAL ONE FINCL CORP/640 SHS	P	12/18/03	12/18/08
g	WACHOVIA CORP	P	12/12/96	12/18/08
h	XL CAPITAL LTD CL A/500 SHS	P	03/23/01	12/18/08
i	BOEING CO/2,766 SHS	P	06/27/08	12/22/08
j	GOLDMAN SACHS GROUP/35 SHS	P	01/24/08	09/17/08
k	FIDELITY LEV CO STOCK FD/109.83 SHS	P	01/24/08	10/30/08
l	US GLOBAL EASTERN EUR FD/320.74 SHS	P	01/24/08	10/31/08
m	GOLDMAN SACHS GROUP/391.60 SHS	P	07/27/06	09/17/08
n	GOLDMAN SACHS GROUP/220.40 SHS	P	04/25/07	09/17/08
o	FIDELITY LEV CO STOCK FD/1276.62	P	09/15/06	10/30/08

	(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	366,858.		763,890.	<397,032.>
b	394,377.		298,836.	95,541.
c	442,800.		571,990.	<129,190.>
d	53,561.		54,665.	<1,104.>
e	18,006.		75,421.	<57,415.>
f	19,067.		37,619.	<18,552.>
g	12,702.		52,444.	<39,742.>
h	1,948.		34,071.	<32,123.>
i	112,530.		184,741.	<72,211.>
j	3,531.		6,937.	<3,406.>
k	1,810.		3,116.	<1,306.>
l	2,034.		4,638.	<2,604.>
m	39,504.		58,291.	<18,787.>
n	22,233.		49,107.	<26,874.>
o	21,039.		34,965.	<13,926.>

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
	(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	
a				<397,032.>
b				95,541.
c				<129,190.>
d				<1,104.>
e				<57,415.>
f				<18,552.>
g				<39,742.>
h				<32,123.>
i				<72,211.>
j				<3,406.>
k				<1,306.>
l				<2,604.>
m				<18,787.>
n				<26,874.>
o				<13,926.>

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).
If (loss), enter "-0-" in Part I, line 8 } 3

CONTINUATION FOR 990-PF, PART IV

THE KARAKIN FOUNDATION 75-2692023 PAGE 2 OF 3

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	FIDELITY LEV CO STOCK FD/619.58 SHS	P	04/25/07	10/30/08
b	US GLOBAL EASTERN EUR FD/3814.85 SHS	P	09/19/06	10/31/08
c	US GLOBAL EASTERN EUR FD/2117.68 SHS	P	04/25/07	10/31/08
d	FIDELITY LEV CO STOCK FD/ST CAP GAIN DISTR	P	VARIOUS	VARIOUS
e	OPPENHEIMER DEV MKTS/ST CAP GAIN DISTR	P	VARIOUS	VARIOUS
f	T ROWE PRICE INTL LAT AMER/ST CAP GAIN DISTR	P	VARIOUS	VARIOUS
g	VANGUARD PREC METAL/ST CAP GAIN DISTR	P	VARIOUS	VARIOUS
h	FIDELITY LEV CO STOCK FD/LT CAP GAIN DISTR	P	VARIOUS	VARIOUS
i	OPPENHEIMER DEV MKTS/LT CAP GAIN DISTR	P	VARIOUS	VARIOUS
j	T ROWE PRICE INTL LAT AMER/LT CAP GAIN DISTR	P	VARIOUS	VARIOUS
k	VANGUARD PREC METAL/LT CAP GAIN DISTR	P	VARIOUS	VARIOUS
l	VANGUARD REIT INDEX FUND/959.36 SHS	P	VARIOUS	09/02/08
m	VANGUARD TOTAL BOND MKT INDEX/1966.57 SHS	P	VARIOUS	05/05/08
n	VANGUARD TOTAL BOND MKT INDEX/600 SHS	P	VARIOUS	06/11/08
o	VANGUARD TOTAL BOND MKT INDEX/699.3 SHS	P	VARIOUS	06/26/08

	(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	10,211.		20,595.	<10,384.>
b	24,186.		56,536.	<32,350.>
c	13,426.		35,315.	<21,889.>
d	195.			195.
e	1,941.			1,941.
f	580.			580.
g	1,984.			1,984.
h	381.			381.
i	17,939.			17,939.
j	2,018.			2,018.
k	6,295.			6,295.
l	84,328.		113,186.	<28,858.>
m	20,000.		19,695.	305.
n	6,000.		6,009.	<9.>
o	7,000.		7,004.	<4.>

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
	(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	
a				<10,384.>
b				<32,350.>
c				<21,889.>
d				195.
e				1,941.
f				580.
g				1,984.
h				381.
i				17,939.
j				2,018.
k				6,295.
l				<28,858.>
m				305.
n				<9.>
o				<4.>

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).
If (loss), enter "-0-" in Part I, line 8 } 3

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CONTINUATION FOR 990-PF, PART IV

THE KARAKIN FOUNDATION 75-2692023 PAGE 3 OF 3

Part IV **Capital Gains and Losses for Tax on Investment Income**

	(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.	**(b)** How acquired P - Purchase D - Donation	**(c)** Date acquired (mo., day, yr.)	**(d)** Date sold (mo., day, yr.)
1a	VANGUARD TOTAL BOND MKT INDEX/12,447.73 SHS	P	VARIOUS	09/02/08
b	VANGUARD TOTAL INTL STOCK/8,238.78 SHS	P	VARIOUS	09/02/08
c	VANGUARD TOTAL STOCK MKT INDEX/9,594.7	P	VARIOUS	09/02/08
d	VANGUARD REIT INDEX FUND CAP GAIN DISTR	P	VARIOUS	VARIOUS
e				
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

	(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	125,100.		124,667.	433.
b	131,408.		149,574.	<18,166.>
c	300,506.		335,959.	<35,453.>
d	218.			218.
e				
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			**(l)** Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
	(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	
a				433.
b				<18,166.>
c				<35,453.>
d				218.
e				
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

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	<833,555.>
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8	3	N/A

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 1

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
AMERICAN EXPRESS/18,818 SHS	PURCHASED	VARIOUS	12/16/08

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
366,858.	763,890.	0.	0.	<397,032.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
APOLLO GROUP/6,115 SHS	PURCHASED	VARIOUS	09/04/08

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
394,377.	298,836.	0.	0.	95,541.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
STARBUCKS CORP/45,245 SHS	PURCHASED	VARIOUS	11/11/08

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
442,800.	571,990.	0.	0.	<129,190.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
TARGET CORP/1,000 SHS	PURCHASED	VARIOUS	09/18/08

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
53,561.	54,665.	0.	0.	<1,104.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
WEATHERFORD INTL/1,800 SHS	PURCHASED	07/08/08	12/18/08

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
18,006.	75,421.	0.	0.	<57,415.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
CAPITAL ONE FINCL CORP/640 SHS	PURCHASED	12/18/03	12/18/08

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
19,067.	37,619.	0.	0.	<18,552.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
WACHOVIA CORP	PURCHASED	12/12/96	12/18/08

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
12,702.	52,444.	0.	0.	<39,742.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
XL CAPITAL LTD CL A/500 SHS	PURCHASED	03/23/01	12/18/08

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
1,948.	34,071.	0.	0.	<32,123.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
BOEING CO/2,766 SHS	PURCHASED	06/27/08	12/22/08

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
112,530.	184,741.	0.	0.	<72,211.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
GOLDMAN SACHS GROUP/35 SHS	PURCHASED	01/24/08	09/17/08

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
3,531.	6,937.	0.	0.	<3,406.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
FIDELITY LEV CO STOCK FD/109.83 SHS	PURCHASED	01/24/08	10/30/08

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
1,810.	3,116.	0.	0.	<1,306.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
US GLOBAL EASTERN EUR FD/320.74 SHS	PURCHASED	01/24/08	10/31/08

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
2,034.	4,638.	0.	0.	<2,604.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
GOLDMAN SACHS GROUP/391.60 SHS	PURCHASED	07/27/06	09/17/08

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
39,504.	58,291.	0.	0.	<18,787.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
GOLDMAN SACHS GROUP/220.40 SHS	PURCHASED	04/25/07	09/17/08

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
22,233.	49,107.	0.	0.	<26,874.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
FIDELITY LEV CO STOCK FD/1276.62	PURCHASED	09/15/06	10/30/08

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
21,039.	34,965.	0.	0.	<13,926.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
FIDELITY LEV CO STOCK FD/619.58 SHS	PURCHASED	04/25/07	10/30/08

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
10,211.	20,595.	0.	0.	<10,384.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
US GLOBAL EASTERN EUR FD/3814.85 SHS	PURCHASED	09/19/06	10/31/08

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
24,186.	56,536.	0.	0.	<32,350.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
US GLOBAL EASTERN EUR FD/2117.68 SHS	PURCHASED	04/25/07	10/31/08

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
13,426.	35,315.	0.	0.	<21,889.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
FIDELITY LEV CO STOCK FD/ST CAP GAIN DISTR	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
195.	0.	0.	0.	195.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
OPPENHEIMER DEV MKTS/ST CAP GAIN DISTR	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
1,941.	0.	0.	0.	1,941.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
T ROWE PRICE INTL LAT AMER/ST CAP GAIN DISTR	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
580.	0.	0.	0.	580.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
VANGUARD PREC METAL/ST CAP GAIN DISTR	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
1,984.	0.	0.	0.	1,984.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
FIDELITY LEV CO STOCK FD/LT CAP GAIN DISTR	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
381.	0.	0.	0.	381.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
OPPENHEIMER DEV MKTS/LT CAP GAIN DISTR	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
17,939.	0.	0.	0.	17,939.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
T ROWE PRICE INTL LAT AMER/LT CAP GAIN DISTR	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
2,018.	0.	0.	0.	2,018.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
VANGUARD PREC METAL/LT CAP GAIN DISTR	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
6,295.	0.	0.	0.	6,295.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
VANGUARD REIT INDEX FUND/959.36 SHS	PURCHASED	VARIOUS	09/02/08

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
84,328.	113,186.	0.	0.	<28,858.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
VANGUARD TOTAL BOND MKT INDEX/1966.57 SHS	PURCHASED	VARIOUS	05/05/08

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
20,000.	19,695.	0.	0.	305.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
VANGUARD TOTAL BOND MKT INDEX/600 SHS	PURCHASED	VARIOUS	06/11/08

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
6,000.	6,009.	0.	0.	<9.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
VANGUARD TOTAL BOND MKT INDEX/699.3 SHS	PURCHASED	VARIOUS	06/26/08

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
7,000.	7,004.	0.	0.	<4.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
VANGUARD TOTAL BOND MKT INDEX/12,447.73 SHS	PURCHASED	VARIOUS	09/02/08

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
125,100.	124,667.	0.	0.	433.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
VANGUARD TOTAL INTL STOCK/8,238.78 SHS	PURCHASED	VARIOUS	09/02/08

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
131,408.	149,574.	0.	0.	<18,166.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
VANGUARD TOTAL STOCK MKT INDEX/9,594.7	PURCHASED	VARIOUS	09/02/08

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
300,506.	335,959.	0.	0.	<35,453.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
VANGUARD REIT INDEX FUND CAP GAIN DISTR	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
218.	0.	0.	0.	218.

CAPITAL GAINS DIVIDENDS FROM PART IV	0.
TOTAL TO FORM 990-PF, PART I, LINE 6A	<833,555.>

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 2

SOURCE	AMOUNT
INTEREST	6,603.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	6,603.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 3

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DIVIDENDS	229,161.	0.	229,161.
TOTAL TO FM 990-PF, PART I, LN 4	229,161.	0.	229,161.

FORM 990-PF

INCOME AND COST OF GOODS SOLD INCLUDED ON PART I, LINE 10

STATEMENT 4

INCOME

1. GROSS RECEIPTS	61,688	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		61,688
4. COST OF GOODS SOLD (LINE 15)	16,692	
5. GROSS PROFIT (LINE 3 LESS LINE 4).		44,996
6. OTHER INCOME		
7. GROSS INCOME (ADD LINES 5 AND 6)		44,996

COST OF GOODS SOLD

8. INVENTORY AT BEGINNING OF YEAR		
9. MERCHANDISE PURCHASED.		
10. COST OF LABOR.		
11. MATERIALS AND SUPPLIES		
12. OTHER COSTS.	16,692	
13. ADD LINES 8 THROUGH 12		16,692
14. INVENTORY AT END OF YEAR		
15. COST OF GOODS SOLD (LINE 13 LESS LINE 14). .		16,692

FORM 990-PF COST OF GOODS SOLD - OTHER COSTS STATEMENT 5

DESCRIPTION	AMOUNT
PRODUCTION TAX	5,178.
LEASE OPERATING EXPENSE	11,514.
TOTAL OTHER COSTS	16,692.

FORM 990-PF OTHER INCOME STATEMENT 6

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
OIL & GAS ROYALTIES	694,051.	694,051.	
PARTNERSHIP INCOME	1,080,632.	1,080,632.	
PARTNERSHIP INCOME-UBI PORTION	236,812.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	2,011,495.	1,774,683.	

FORM 990-PF LEGAL FEES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL	46,042.	0.		0.
TO FM 990-PF, PG 1, LN 16A	46,042.	0.		0.

FORM 990-PF ACCOUNTING FEES STATEMENT 8

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	36,749.	5,645.		0.
TO FORM 990-PF, PG 1, LN 16B	36,749.	5,645.		0.

FORM 990-PF TAXES STATEMENT 9

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PRODUCTION TAXES - RI	37,625.	37,625.		0.
AD VALOREM TAXES	27,420.	27,420.		0.
FOREIGN TAX	63.	63.		0.
EXCISE TAX	1,973.	0.		0.
TO FORM 990-PF, PG 1, LN 18	67,081.	65,108.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 10

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BANK CHARGES	120.	120.		0.
INSURANCE	7,652.	7,652.		0.
INVESTMENT EXPENSE	25.	25.		0.
INVESTMENT MGMT FEES	23,564.	23,564.		0.
MISCELLANEOUS EXPENSE	91.	91.		0.
TO FORM 990-PF, PG 1, LN 23	31,452.	31,452.		0.

FOOTNOTES STATEMENT 11

THIS RETURN IS BEING AMENDED TO REPORT CONTRIBUTION INCOME AT THE CORRRECT FAIR MARKET VALUE OF ASSETS ON THE DATE OF DONATION. THE ORIGINALLY FILED RETURN REPORTED ESTIMATED NUMBERS THAT WERE FINALIZED AFTER THE FILING OF THE RETURN.

FORM 990-PF OTHER DECREASES IN NET ASSETS OR FUND BALANCES STATEMENT 12

DESCRIPTION	AMOUNT
NONDEDUCTIBLE EXPENSES	2,619.
NONDEDUCTIBLE LOSS/FREESTONE SAWMILL PTRS-AT RISK LIMITATION	40,144.
FMV > COST BASIS ASSETS	18,399,571.
PY UNREALIZED GAIN REMOVED	413,938.
TOTAL TO FORM 990-PF, PART III, LINE 5	18,856,272.

FORM 990-PF CORPORATE STOCK STATEMENT 13

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SEE ATTACHED STATEMENT 17-STOCKS & MUTUAL FUNDS	14,793,001.	20,202,576.
TOTAL TO FORM 990-PF, PART II, LINE 10B	14,793,001.	20,202,576.

FORM 990-PF OTHER INVESTMENTS STATEMENT 14

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
SEE ATTACHED STATEMENT 18-PARTNERSHIP INTERESTS	COST	3,383,777.	7,416,788.
TOTAL TO FORM 990-PF, PART II, LINE 13		3,383,777.	7,416,788.

FORM 990-PF OTHER ASSETS STATEMENT 15

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
DODGCO, INC.	0.	3.	3.
MINERAL INTERESTS LESS ACCUM DEPL	0.	511,272.	7,091,367.
CASH VALUE OF LIFE INSURANCE	0.	130,225.	130,225.
UNREALIZED GAIN AT CONTRIBUTION	652,982.	0.	0.
DUE TO/FROM DODGE JONES	0.	263,672.	263,672.
TO FORM 990-PF, PART II, LINE 15	652,982.	905,172.	7,485,267.

990-PF AFFILIATION WITH TAX-EXEMPT ORGANIZATIONS STATEMENT 16
PART XVII, LINE 2, COLUMN (C)

NAME OF AFFILIATED OR RELATED ORGANIZATION

KARAKIN PROPERTIES LLC

DESCRIPTION OF RELATIONSHIP WITH AFFILIATED OR RELATED ORGANIZATION

KARAKIN PROPERTIES LLC IS A TITLE HOLDING COMPANY. KARAKIN PROPERTIES LLC IS A DISREGARDED ENTITY FOR FEDERAL INCOME TAX PURPOSES; THEREFORE, ALL ITS INCOME IS REPORTED BY THE KARAKIN FOUNDATION.

KARAKIN FOUNDATION **FORM 990PF**
STATEMENT 17 - STOCKS & MUTUAL FUNDS, PART II, LINE 10B **EIN 75-2692023**
12/31/08

Shares or Face Value	Description	Cost	Market Value at 12-31-08
CORPORATE STOCKS			
6,477	Affiliated Managers Group	$ 451,768	$ 271,516
1,849	Allegheny Technologies	40,742	47,205
50,376	Amen Properties	158,402	203,724
2,478	American Campus Communities	74,509	50,729
920	Apache Corp.	29,528	68,568
5,585	Apollo Group	272,935	427,923
1,796	Arch Coal Incorporated	62,363	29,257
13,650	Automtic Data Processing	618,395	536,991
142	Berkshire Hathaway Inc. B	535,163	456,388
763	BHP Billiton, LTD	38,693	32,733
1,682	Boeing Company	112,351	71,771
1,600	Brinks Co. Home Sec. Holdings	14,884	35,072
1,600	Brinks, Co.	18,328	43,008
5,927	CH Robinson Worldwide, Inc.	120,158	326,163
920	Charles River Labs	44,468	24,104
2,937	Cisco Systems, Inc.	82,767	47,873
7,646	Colgate Palmolive	549,299	524,057
56,512	Concho Resources, Inc.	452,090	1,289,581
1,723	Conoco Phillips	52,501	89,251
1,400	Cooper Companies, Inc.	35,515	22,960
1,314	Core Labs	125,591	78,656
8,361	Costco Wholesale Corp.	581,517	438,952
2,600	Constellation Brands Inc,	33,880	41,002
1,400	Covidien, LTD	34,547	50,736
2,000	CVS Corp.	55,209	57,480
16,570	Dentsply International, Inc.	315,737	467,937
736	Devon Energy Corp.	55,983	48,362
1,400	Dover Corp.	53,558	46,088
12,254	Ecolab, Inc	426,704	430,728
3,400	El Paso Corp.	58,719	26,622
43,411	EMC Corp	525,693	454,513
20,046	Expeditors International	98,266	666,930
1,440	Exterran Holdings, Inc.	49,984	30,672
1,000	Exxon Mobil Corp	41,525	79,830
13,267	Fastenal Co.	460,530	462,355
94,666	First Financial Bancshares, Inc.	606,173	5,226,510
7,147	Forest Oil Corp.	339,911	117,854
1,600	Freeport-McMoran Cooper	27,361	39,104
2,000	General Electric Co.	61,831	32,400
1,000	General Mills, Inc.	58,404	60,750
456	Glaxo Smithkline PLC	9,987	16,958
1,500	Goodrich Corp.	60,788	55,530
1,200	Harman Intl. Inds Inc.	12,383	20,076

KARAKIN FOUNDATION | **FORM 990PF**
STATEMENT 17 - STOCKS & MUTUAL FUNDS, PART II, LINE 10B | **EIN 75-2692023**
12/31/08

Shares or Face Value	Description	Cost	Market Value at 12-31-08
2,000	Ingersoll Rand	41,447	34,700
6,810	Intel Corp.	160,801	99,835
1,300	Johnson & Johnson	66,136	77,779
1,300	Kellogg Corp.	69,488	57,006
900	L3 Communications Holdings	71,019	66,402
35,930	Liberty Global, Inc.	808,564	571,990
65,246	Main Street Capital	671,167	637,458
1,100	McKesson, Corp.	30,522	42,603
1,120	Medtronic, Inc.	56,803	35,190
515	Monsanto Co.	43,194	36,230
18,716	NASDAQ Stock Market, Inc.	602,021	462,447
800	National Oilwell Varco	42,473	19,552
1,400	Newfield Exploration Co.	62,476	27,650
1,100	Noble Energy Inc.	41,851	54,142
1,000	Novartis Ag Spon ADR	58,543	49,760
1,096	Occidental Petroleum, Corp.	53,031	65,749
1,200	Omnicare, Inc.	31,184	33,312
450	Parker-Hannifin Corp.	22,526	19,143
740	Partnerre Ltd.	36,881	52,740
1,900	Pepsico, Inc.	98,361	104,063
533	Perdigao S.A.	27,110	14,060
42,231	Petrohawk Energy Corp	225,237	660,086
1,200	Pfizer, Inc.	9,638	21,252
1,400	Plains Exploration and Production Co.	31,887	32,536
2,720	Praxair	89,231	161,459
1,100	Proctor and Gamble, Co.	64,432	68,002
1,411	Qualcomm Inc.	67,898	50,556
1,880	Quicksilver Resources	43,871	10,472
5,683	Receptor Logic, Inc.	40,560	66,032
3,900	Republic Services	40,833	96,681
13,730	Rockwell Collins, Inc.	358,691	536,667
500	San Juan Basin Royalty Trust	16,575	15,485
20,278	Scripps Networks Interactive, Inc.	445,613	446,116
1,800	Sigma Aldrich Corp.	66,600	76,032
1,800	Tetra Technologies, Corp.	39,336	8,748
1,800	Thermo Fisher Scientific, Inc.	44,362	61,326
460	Toyota Motor Corp.	48,939	30,102
978	Transocean, Inc.	79,466	46,211
2,000	Tyco Electronics, LTD	53,414	32,420
1,500	Tyco Intl., LTD	38,473	32,400
800	United Parcel Service	58,596	44,128
974	United States Steel Corp.	75,037	36,233
880	United Technologies, Corp.	55,270	47,168
3,212	Valero Energy Corp.	199,391	69,508
9,318	Visa Inc	450,531	488,729

KARAKIN FOUNDATION
STATEMENT 17 - STOCKS & MUTUAL FUNDS, PART II, LINE 10B

FORM 990PF
EIN 75-2692023
12/31/08

Shares or Face Value	Description	Cost	Market Value at 12-31-08
20,299	Walt Disney Company	602,119	460,584
1,800	Waste Management, Inc.	60,050	59,652
2,000	Wesco Intl, Inc.	51,503	38,460
3,222	XTO Energy	30,274	113,640
	Total Corporate Stocks	14,342,560	19,921,414
MUTUAL FUNDS			
5,998	Ishares MSCI Emerging Markets	165,983	149,760
2,239	Oppenheimer Developing Markets CL A	94,026	35,574
2,319	T. Rowe Price Latin America Fund	83,126	52,716
3,654	Vanguard Precious Metal Mining	107,306	43,112
	Total Mutual Funds	450,441	281,162
TOTAL INVESTMENTS - STOCK & MUTUAL FUNDS		14,793,001	20,202,576

KARAKIN FOUNDATION **EIN # 75-2692023**

STATEMENT 18 - PARTNERSHIP INTERESTS **2008**

PART II, LINE 13

	Tax Basis 12/31/2008	Fair Market Value 12/31/2008
Auxano Biomedical LLC	14,849	100,000
BI CBM Opportunity, LP	792,501	796,633
BI Rail LLC	38,256	0
Buchanan Investments Alterenergy LLC	173,408	173,407
Carson Private Cap. Euro Fund	6,591	6,379
Carson Private Cap. Euro Fund II	68,162	90,181
Central Park 91	23,629	82,415
Cordillera Energy Partners II, LLC	99,527	133,423
Cordillera Energy Partners III, LLC	101,994	133,423
CPC/HMTF Fund V (Carson Private Cap Fund V)	21,260	25,328
Eagle Oil & Gas Partners LLC	80,440	162,596
Encap Energy Capital Fund VI-B, LP	479,404	450,831
Encap Energy Capital Fund VII-B, LP	213,807	170,346
Freestone Beverage Partners LP	28,847	29,855
Freestone Metals Partners LP	57,306	38,720
Freestone Partners II, LP	8,297	19,000
Freestone Sawmill Partners, LP	(135,168)	0
HOG Partnership	53,771	639,000
Humana West Ltd.	75,824	117,154
JOG Limited Partnership No. III	194,177	165,497
Maecenas Minerals LLP	180,810	1,627,022
Magellan Midstream Partners LP	12,577	42,294
Main Street Capital II, LP	307,030	239,292
MDJ Minerals	4,159	1,491,822
N3 Opportunity Fund I LP	35,094	34,985
Oneok Partners LP	413	27,330
SFF Production, LLC	81,906	42,883
SFF Royalty, LLC	223,133	215,801
Talon Oil & Gas LLC	136,921	201,171
Westech Ventures I, LP	4,852	160,000
Totals	3,383,777	7,416,788

THE KARAKIN FOUNDATION
ABILENE, TEXAS 79604

FORM 990-PF
FEDERAL ID # 75-2692023
FOR THE YEAR ENDED 12-31-08

STATEMENT 19 - SCHEDULE OF CONTRIBUTIONS

ALL CONTRIBUTIONS WERE RECEIVED FROM THE DODGE JONES FOUNDATION.
AMOUNTS WERE DISTRIBUTED UNDER CONTRACTION AGREEMENT.
SEE ATTACHED PRIVATE LETTER RULING.

Item		Book Value (Cost Method)	Fair Market Value	Method Used to Determine Fair Market Value
TOTAL CASH CONTRIBUTIONS		***$ 2,200,000***	***$ 2,200,000***	Cost
Notes Receivable:				
	AMEN PROPERTIES	32,065	32,065	Cost
Stock:				
# of Shares	*Name*			
2,470	AFFILIATED MANAGERS GROUP	303,955	222,470	Published values
45,272	AMEN PROPERTIES, INC.PFD	126,338	407,444	for all stocks
5,464	AMEN PROPERTIES COMMON	52,214	16,283	and mutual funds
10,541	AMERICAN EXPRESS COMPANY	570,285	397,061	
2,478	AMERCAN CAMPUS COMMUNITIES	74,509	68,981	
920	APACHE CORP	29,528	127,880	
11,700	APOLLO GROUP INC	571,771	517,842	
1,795	ARCH COAL INCOPORATED	62,363	134,709	
13,650	AUTOMATIC DATA PROCESSNG	618,395	571,925	
141	BERKSHIRE HATHAWAY INC B	535,163	566,695	
763	BHP BILLITON LTD	38,693	64,966	
4,448	BOEING CO	297,093	292,323	
1,600	BRINK'S CO	33,212	104,672	
640	CAPITAL ONE FINANCIAL	37,619	24,326	
5,927	C H ROBINSON WORLDWIDE	120,158	325,036	
920	CHARLES RIVER LABS	44,468	58,806	
2,937	CISCO SYSTEMS INC	82,767	68,305	
7,146	COLGATE PALMOLIVE	515,463	493,806	
500	COLGATE PALMOLIVE	33,835	34,550	
56,512	CONCHO RESOURCES, INC	452,090	2,107,879	
800	CONOCOPHILLIPS	22,443	75,512	
923	CONOCOPHILLIPS	30,058	87,146	
1,400	COOPER COMPANIES INC	35,515	52,010	
1,313	CORE LABS	125,591	186,962	
6,890	COSTCO WHOLESALE CORP	502,768	483,230	
2,600	CONSTELLATION BRANDS INC	33,880	51,636	
1,400	COVIDIAN, LTD	34,547	67,046	
2,000	CVS CORP	55,209	79,140	
12,000	DENTSPLY INTL INC	199,584	441,600	
737	DEVON ENERGY CORP	55,983	88,582	
1,400	DOVER CORP	53,558	67,718	
3,400	EL PASO CORP	58,719	73,916	
1,000	EXXON/MOBIL CORP	41,525	88,130	
20,046	EXPEDITORS INTL WASH INC	98,266	861,978	
1,440	EXTERRAN HOLDINGS, INC	49,984	102,946	
70,000	FIRST FIN BANKSHARES	586,755	3,206,700	
1,600	FREEPORT-MCMORAN COPPER	27,361	187,504	
2,000	GENERAL ELECTRIC CO	61,831	53,380	
1,000	GENERAL MILLS INC	58,404	60,770	
455	GLAXO SMITHKLINE PLC	9,987	20,131	

THE KARAKIN FOUNDATION
ABILENE, TEXAS 79604

FORM 990-PF
FEDERAL ID # 75-2692023
FOR THE YEAR ENDED 12-31-08

STATEMENT 19 - SCHEDULE OF CONTRIBUTIONS
ALL CONTRIBUTIONS WERE RECEIVED FROM THE DODGE JONES FOUNDATION.
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SEE ATTACHED PRIVATE LETTER RULING.

	Item	Book Value (Cost Method)	Fair Market Value	Method Used to Determine Fair Market Value
647	GOLDMAN SACHS GRP	114,336	113,125	
1,500	GOODRICH CORP.	60,788	71,190	
1,200	HARMAN INTL INDS INC	12,383	49,668	
2,000	INGERSOLL RAND CL A	41,807	74,860	
3,200	INTEL CORP	65,723	68,736	
3,610	INTEL CORP	95,078	77,543	
1,300	JOHNSON & JOHNSON	66,136	83,642	
1,300	KELLOG CO	69,488	62,426	
13,862	LIBERTY GLOBAL INC A	537,153	435,691	
900	L3 COMMUNICATIONS HLDS	71,019	81,783	
63,121	MAIN STREET CAPITAL	647,245	746,084	
1,100	MCKESSON CORP	30,522	61,501	
1,120	MEDTRONIC INC	56,803	57,960	
17,693	NASDAQ STOCK MARKET, INC	569,501	469,736	
300	NATIONAL OILWELL VARCO	18,692	26,616	
1,400	NEWFIELD EXPLORATION COS	62,476	91,350	
1,100	NOBLE ENERGY INC	41,851	110,616	
1,000	NOVARTIS AG SPON ADR	58,543	55,040	
1,096	OCCIDENTAL PETR. CORP	53,032	98,504	
1,200	OMNICARE, INC.	31,184	31,464	
450	PARKER-HANNIFIN CORP	22,526	32,094	
740	PARTNERRE LTD	36,881	51,156	
1,100	PEPSICO INC	64,776	69,949	
800	PEPSICO INC	33,585	50,872	
533	PERDIGAO S A	27,110	29,059	
42,231	PETROHAWK ENERGY CORP	196,811	1,955,729	
1,200	PFIZER INC	9,638	20,964	
1,400	PLAINS EXPL.& PROD. CO	31,887	102,158	
800	PRAXAIR INC	57,544	75,392	
1,920	PRAXAIR INC	31,687	180,941	
1,100	PROCTER & GAMBLE CO	64,432	66,891	
1,411	QUALCOMM INCORPORATED	67,898	62,606	
1,880	QUICKSILVER RESOURCES	43,871	72,643	
5,683	RECEPTOR LOGIC, INC	59,122	59,099	
3,900	REPUBLIC SERVICES INC	40,833	115,830	
8,728	ROCKWELL COLLINS INC	195,755	418,571	
500	SAN JUAN BASIN ROYALTY TR	16,575	23,130	
1,800	SIGMA ALDRICH CORP	66,600	96,948	
17,630	STARBUCKS CORP	299,089	277,496	
1,000	TARGET CORP	54,665	46,490	
1,800	TETRA TECHNOLOGIES	39,336	42,678	
1,800	THERMO ELECTRON CORP	44,362	100,314	
460	TOYOTA MOTOR CORP	48,939	43,240	
978	TRANSOCEAN INCORPORATED	79,465	149,037	
2,000	TYCO ELECTRONICS LTD	53,414	71,640	
1,500	TYCO INTL LTD	38,473	60,060	
800	UNITED PARCEL SERVICE	58,596	49,176	

STATEMENT 19 - SCHEDULE OF CONTRIBUTIONS

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	Item	Book Value (Cost Method)	Fair Market Value	Method Used to Determine Fair Market Value
880	UNITED TECHNOLOGIES CORP.	55,270	54,296	
974	UNITED STATES STEEL CORP	75,037	180,050	
3,212	VALERO ENERGY CORP	199,391	132,261	
2,086	WACHOVIA CORP	52,444	32,396	
15,992	WALT DISNEY COMPANY	508,181	498,958	
1,800	WASTE MANAGEMENT INC	60,050	67,878	
1,800	WEATHERFORD INTL	75,421	89,262	
2,000	WESCO INTL INC	51,503	80,080	
500	XL CAPITAL LTD CL A	34,071	10,280	
3,222	XTO ENERGY INC	30,274	220,739	
Total Stock		12,371,156	21,499,894	
Mutual Funds:				
# of Shares	*Name*			
2,006	FIDELITY LEVERAGED STOCK	58,675	69,489	
1,003	ISHARES MSCI EMERG. MKTS	41,978	136,073	
2,239	OPPEN. DEVELOP. MKTS CLA	94,026	96,602	
2,319	T ROWE PR.LATINAMER. FD	83,126	128,904	
6,253	US GLOBAL E. EUROPEAN FD	96,489	94,862	
3,654	VANGUARD METAL MINING FD	107,306	141,976	
Total Mutual Funds		481,601	667,906	
Partnerships:				
% Interest	*Name*			
various	AUXANO BIOMEDICAL, LLC	22,323	100,000	
various	BI ALTERENERGY, LP	173,518	173,518	
9.559285%	B.I. CBM OPPORTUNITY, LLC	796,044	797,022	
4.257780%	BI RAIL, LLC	35,178	0	
0.086285%	CARSON PRIVATE CAP. EURO FUND	6,967	6,967	
0.401520%	CARSON PRIVATE CAP. EURO FUND II	69,040	69,040	
various	CARSON PRIVATE CAP FUND OF FUNDS	38,204	38,204	
various	CARSON PRIVATE CAP. FUND IV	23,638	23,638	
0.280778%	CPC/HMTF EQUITY FUND V, LP	25,752	25,752	
6.722690%	CENTRAL PARK - 91, LTD.	23,779	82,407	
0.040276%	CORDILLERA ENERGY PARTNERS II, LLC	77,940	346,090	
0.049000%	CORDILLERA ENERGY PARTNERS III, LL(	100,166	103,811	
0.480000%	EAGLE OIL AND GAS	102,107	184,503	
0.174280%	ENCAP ENERGY CAPITAL FUND VI-B, LP	388,836	395,178	
0.189826%	ENCAP ENERGY CAPITAL FUND VII-B, LP	117,724	108,863	
0.347949%	FREESTONE BEVERAGE PARTNERS LP	28,796	29,855	
0.593694%	FREESTONE METALS PARTNERS, LP	50,108	38,720	
0.461950%	FREESTONE PARTNERS II, LP	4,940	15,200	
0.878000%	FREESTONE SAWMILL PARTNERS, LP	(94,770)	0	
1.151960%	HOG PARTNERSHIP, L P.	99,945	633,600	
13.445400%	HUMANA WEST, LTD	75,774	117,154	
0.179269%	JOG LTD PARTNERSHIP III	202,530	212,131	
14.401482%	MAECENAS MINERALS, LLP	182,004	1,753,385	
various	MAGELLAN MIDSTREAM PARTNERS, LP	13,144	49,826	
0.865333%	MAIN STREET CAPITAL II	314,166	248,238	

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10.000000%	MDJ MINERALS, LLP	23,150	1,491,822	
0.340000%	N3 OPPORTUNITY FUND I, LP	34,254	34,950	
various	ONEOK PARTNERS, LP	1,473	33,540	
0.949864%	SFF PRODUCTION, LLC	88,800	76,775	
0.773200%	SFF ROYALTY, LLC	284,317	281,509	
0.450644%	TALON OIL AND GAS, LLC	148,290	199,272	
various	WESTECH VENTURES I, L.P.	4,823	160,000	
Total Partnerships		3,462,960	7,830,972	

Various Mineral Interests in the Following Leases:

PAULINE ALLEN #1 - HASKELL,OK
BAYLOR COUNTY - 7 TRACTS
BORDEN & DAWSON COUNTIES
BRAZORIA COUNTY - CONV CORP
CALLAHAN COUNTY - 3 TRACTS
CLAY COUNTY - CONV CORP
TUSCALOOSA TREND - CLEAR FORK
COKE COUNTY - 1 TRACT
COMMANCHE COUNTY - CONV CORP
CROSBY & DICKENS COUNTIES
CROSBY COUNTY - CONV CORP
CUMMINGS #1 - HASKELL,OK
CUMMINGS #2 - HASKELL,OK
DENTON COUNTY - CONV CORP
EASTLAND COUNTY - 3 TRACTS
EASTLAND COUNTY - 2 TRACTS
EXXON WEST TEXAS ROYALTY PKG
FEDERAL STEEL #2 - HASKELL,OK
FREDRICK #1A - HASKELL,OK
GREGG COUNTY - 1 TRACT
GRAYSON COUNTY - 2 TRACTS
HIGHTOWER #1 - HASKELL,OK
HIGHTOWER #2 - HASKELL,OK
HOOD COUNTY - CONV CORP
HOPE ESTATE - LATIMER CO, OK
HOUSE #1 - HASKELL,OK
HOWARD COUNTY - 10 TRACTS
JONES COUNTY - 18 TRACTS
KENT COUNTY - 19 TRACTS
KING COUNTY - 1 TRACT
KNOX COUNTY - CONV CORP
LEA COUNTY, NM - 1 TRACT
LONE STAR #1 - HASKELL,OK
MC CURTAIN #1 - HASKELL,OK
MC CURTAIN #2 - HASKELL,OK
MITCHELL COUNTY - 2 TRACTS
MONTAGUE COUNTY - 6 TRACTS
NOLAN COUNTY - 1 TRACT
PALO PINTO COUNTY - 3 TRACTS
PANOLA COUNTY - CONV CORP
REES #1 - LE FLORE, OK
RUSK COUNTY - CONV CORP
STEELCO #2 - HASKELL,OK
STEPHENS COUNTY - 1 TRACT
STONEWALL COUNTY - 1 TRACT

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Item	Book Value (Cost Method)	Fair Market Value	Method Used to Determine Fair Market Value
TATE #1B - HASKELL,OK			
TAYLOR COUNTY - 4 TRACTS			
WARD COUNTY - 2 TRACTS			
YOUNG COUNTY - 3 TRACTS			
Total Mineral Interests	283,850	5,000,365	
Cash Surrender Value of Life Insurance:	130,225	130,225	Cash value
TOTAL NONCASH CONTRIBUTIONS	***$ 16,761,857***	***$ 35,161,427***	