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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

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 **NOV 1, 2008**, and ending **OCT 31, 2009**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
Effie and Wofford Cain Foundation

Number and street (or P O box number if mail is not delivered to street address) Room/suite
4131 Spicewood Springs Road A-1

City or town, state, and ZIP code
Austin, TX 78759

A Employer identification number
75-6030774

B Telephone number
512-346-7490

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 ☐

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 ☐

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)
\$ 101727209.

J Accounting method: ☒ Cash ☐ Accrual
☐ Other (specify) _____

(Part I, column (d) must be on cash basis.)

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	Contributions, gifts, grants, etc., received			N/A	
2	Check ☒ if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments	54294.	54294.		
4	Dividends and interest from securities	2198897.	1944501.		
5a	Gross rents	48585.	48585.		
b	Net rental income or (loss)	38166.			
6a	Net gain or (loss) from sale of assets not on line 10	<16089919.>			
b	Gross sales price for all assets on line 6a	47248528.			
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				
b	Less: Cost of goods sold				
c	Gross profit or (loss)				
11	Other income Stmt 1	202207.	202207.		
12	Total. Add lines 1 through 11	<13585936.>	2249587.		
13	Compensation of officers, directors, trustees, etc	393600.	19297.		374303.
14	Other employee salaries and wages				
15	Pension plans, employee benefits	38457.	1521.		36937.
16a	Legal fees Stmt 2	14540.	1837.		12703.
b	Accounting fees				
c	Other professional fees Stmt 3	271817.	265400.		6417.
17	Interest				
18	Taxes Stmt 4	51132.	46045.		16500.
19	Depreciation and depletion Stmt 5	8139.	446.		
20	Occupancy	29391.	1884.		27507.
21	Travel, conferences, and meetings	62979.	13899.		46528.
22	Printing and publications	2865.	433.		2432.
23	Other expenses Stmt 6	23110.	36257.		21427.
24	Total operating and administrative expenses. Add lines 13 through 23	896030.	387019.		544754.
25	Contributions, gifts, grants paid Stmt 7A	6028650.			6028650.
26	Total expenses and disbursements. Add lines 24 and 25	6924680.	387019.		6573404.
27	Subtract line 26 from line 12:				
a	Excess of revenue over expenses and disbursements	<20510616.>			
b	Net investment income (if negative, enter -0-)		1862568.		
c	Adjusted net income (if negative, enter -0-)			N/A	

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

Form 990-PF (2008)

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only.		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	5548850.	9716663.	9716663.
	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			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock Stmt 8	88377331.	62669066.	71225766.
	c Investments - corporate bonds Stmt 9	16809423.	17847397.	18867228.
11 Investments - land, buildings, and equipment basis ▶	391388.			
Less: accumulated depreciation ▶	Stmt 10	391388.	391388.	375145.
12 Investments - mortgage loans				
13 Investments - other Stmt 11	327185.	327185.	1213138.	
14 Land, buildings, and equipment: basis ▶	259542.			
Less: accumulated depreciation Stmt 12 ▶	160490.	107192.	99052.	329268.
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers)		111561369.	91050752.	101727209.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable	2200000.	50000.	
	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)		2200000.	50000.
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	57554964.	57554964.	
	29 Retained earnings, accumulated income, endowment, or other funds	51806405.	33445788.	
30 Total net assets or fund balances		109361369.	91000752.	
31 Total liabilities and net assets/fund balances		111561369.	91050752.	

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	109361369.
2 Enter amount from Part I, line 27a	2	<20510616.>
3 Other increases not included in line 2 (itemize) ▶ Decrease in grants payable	3	2150000.
4 Add lines 1, 2, and 3	4	91000753.
5 Decreases not included in line 2 (itemize) ▶ Rounding	5	1.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	91000752.

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 See Statement 13		P		
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 47248528.		63338447.	<16089919.>
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(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			<16089919.>
b			
c			
d			
e			

		K-1 adjustments
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	<16959532.>
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	6434032.	132647199.	.048505
2006	6791852.	144259870.	.047081
2005	6370170.	132951335.	.047914
2004	4797537.	125493141.	.038229
2003	5756025.	119794021.	.048049

2 Total of line 1, column (d)	2	.229778
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	.045956
4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5	4	93799707.
5 Multiply line 4 by line 3	5	4310659.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	18626.
7 Add lines 5 and 6	7	4329285.
8 Enter qualifying distributions from Part XII, line 4	8	6573404.

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	18626.
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	18626.
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	18626.
6 Credits/Payments:			
a 2008 estimated tax payments and 2007 overpayment credited to 2008	6a	59974.	
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	59974.	
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	41348.	
11 Enter the amount of line 10 to be: Credited to 2009 estimated tax ☒ 41348. 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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ► \$ 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.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ► Texas		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2008 or the taxable year beginning in 2008 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

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?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ Effie and Wofford Cain Foundation Telephone no. ▶ 512-346-7490
 Located at ▶ 4131 Spicewood Springs Road, #A-1, Austin, TX ZIP+4 ▶ 78759

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)? Organizations relying on a current notice regarding disaster assistance check here ▶ ☐	1b	X
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.) <u>N/A</u>	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.) <u>N/A</u>	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2008?	4b	X

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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

6b

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

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
See Statement 14		393600.	38456.	

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
Smith Asset Management 200 Crescent Court, Suite 850, Dallas, TX 75201	Inv. Management	133318.
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 NONE	
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 NONE	
2	
3 All other program-related investments. See instructions.	
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	85912060.
b	Average of monthly cash balances	1b	7699017.
c	Fair market value of all other assets	1c	1617052.
d	Total (add lines 1a, b, and c)	1d	95228129.
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	95228129.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	1428422.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	93799707.
6	Minimum investment return. Enter 5% of line 5	6	4689985.

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	4689985.
2a	Tax on investment income for 2008 from Part VI, line 5	2a	18626.
b	Income tax for 2008. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	18626.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	4671359.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	4671359.
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	4671359.

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	6573404.
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	6573404.
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	18626.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	6554778.

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				4671359.
2 Undistributed income, if any, as of the end of 2007				
a Enter amount for 2007 only			6481511.	
b Total for prior years:		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: ► \$ 6573404.				
a Applied to 2007, but not more than line 2a			6481511.	
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				91893.
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 instr.			0.	
f Undistributed income for 2008. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2009				4579466.
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	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 XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
Total	See Attached Statement(s) See Stmt 7A			▶ 3a 6028650.
b Approved for future payment				
Total	See Attached Statement(s) See Stmt 7B			▶ 3b 50000.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e)
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount		Related or exempt function income
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	54294.		
4 Dividends and interest from securities			14	2198897.		
5 Net rental income or (loss) from real estate:						
a Debt-financed property						
b Not debt-financed property			16	38166.		
6 Net rental income or (loss) from personal property						
7 Other investment income			14	202207.		
8 Gain or (loss) from sales of assets other than inventory			18	<16089919.>		
9 Net income or (loss) from special events						
10 Gross profit or (loss) from sales of inventory						
11 Other revenue:						
a _____						
b _____						
c _____						
d _____						
e _____						
12 Subtotal. Add columns (b), (d), and (e)		0.		<13596355.>		0.
13 Total. Add line 12, columns (b), (d), and (e)						<13596355.>

13 <13596355.>

[illegible]

Statement 1

Part I, Line 11 - Other Income:

Description	Column A	Column B
Balance Per Books	Investment Income	
Oil & Gas Royalty Income	193,750	193,750
Shareholders' litigation settlement	8,457	8,457
Total Other Income	202,207	202,207

Statement 2

	Column A	Column B	Column D
	Balance Per Books	Related to Investment Income	Disbursed for Charitable Purpose
Part I, Line 16a - Legal Fees			
Brorby, Crozier & Dobie, PC - fees	14,319	1,616	12,703
Carrington, Coleman, Sloman & Blumenthal	220	220	0
Total Legal	14,540	1,837	12,703

Statement 3

Part I, Line 16c - Other Professional Fees:

Smith Asset Management (3 accounts)	133,318	133,318	0
Wellington Management	40,086	40,086	0
Clearbrook Investment Consulting	32,537	32,537	0
JP Morgan Chase	24,564	24,564	0
Standish Mellon	19,465	19,465	0
Alliance Bernstein	7,902	7,902	0
State Street Global Advisors	5,842	5,842	0
Frost National Bank	2,300	0	2,300
JMD Consulting	1,900	0	1,900
ADP	1,749	0	1,749
Maxwell, Locke & Ritter	800	800	0
Realty Tax Consultants	660	660	0
Clyde Bennett & Associates	325	0	325
Keeter & Associates	188	188	0
Texas Protax Austin	118	0	118
JP Morgan Chase	39	39	0
Texas Secretary of State	25	0	25
Total Other Professional Fees	271,817	265,400	6,417

Statement 4

Part 1, line 18 - Taxes:

Description	Column A	Column B	Column D	Other
	Balance Per Books	Related to Investment Income	Disbursed for Charitable Purposes	
Payroll Taxes	16,775	656	16,120	
Ad Valorem Property Taxes	25,169	25,169		
Oil & Gas Production Tax	8,767	8,767		
Personal Property Taxes	396	15	381	
Foreign Dividend Taxes (books)	25	25		
Foreign Dividend Taxes (K-1s)	0	11,413		
Excise Tax	0			0
Total	51,132	46,045	16,500	0

Taxes on office property are listed on Part I, Line 20

Statement 5

Part I, Line 19 - Depreciation and Depletion:

	Date Acquired	Cost	Recovery Period	Method Used	Rate	-----Current Expense-----		Accum. as of 10/31/08	Other	Disposed	Accum. as of 10/31/09
						Column A	Column B				
						Balance Per Books	Related to Inv. Income				
Depletion											
Oil & Gas Properties	1980	17,418	Life of Reserve	Cost	0	0	0	0	0	0	12,043
Total Depletion						0	0	12,043	0	0	12,043
Total Depreciation and Depletion						8,139	446	164,394	7,694	0	172,533

* Annual rate of 3.1746%
 F = First year 1/2 annual rate L = Last year 1/2 annual rate

Statement 6

Part 1, Line 23 - Other Expenses:

Description	Column A	Column B	Column D
	Balance Per Books	Related to Investment Income	Disbursed for Charitable Purposes
Office Supplies	2,588	101	2,487
Pantry Supplies	604	24	581
Data Processing Supplies	3,116	121	2,994
Equipment Repair & Maintenance	0	0	0
Investment Property Repair & Maintenance	0	0	0
Property & Liability Insurance	14,239	1,427	12,813
Membership Dues	1,877	9	1,867
Miscellaneous	686	1	685
Other Deductions from K-1 reports	0	34,574	0
Total	23,110	36,257	21,427

Statement 7A Page 1 of 7

Part XV, Line 3a - Grants & Contributions Paid During the Year:

Activity/Recipient/Address	Status	Purpose	Amount
Human Needs and Services			
Athens Samaritans PO Box 350, Athens, TX 75751	Public	Construction of homes for poor	10,000
Austin Police Operation Blue Santa 715 E. 8th Street, Austin, TX 78701	Public	General support	12,000
Austin Recovery, Inc. 8402 Cross Park Drive, Austin, TX 78754	Public	General support	50,000
Austin YMBL Sunshine Camp PO Box 684980, Austin, TX 78768-4980	Public	General support	15,000
Boys and Girls Clubs of Austin and Travis County 303 W. Johanna Street, Austin, TX 78704	Public	General support	5,000
CASA of Trinity Valley PO Box 2259, Athens, TX 75751	Public	Program expenses	10,000
Center for Child Protection 8509 FM 969, Building 2, Austin, TX 78724	Public	General support	10,000
East Texas Crisis Center PO Box 847, Athens, TX 75751	Public	General support	3,000
Family Peace Project PO Box 1723, Athens, TX 75751	Public	Program expenses	5,000
For The Children PO Box 29346, Austin, TX 78755	Public	Program expenses	2,000
Helping Hand Home for Children 3804 Avenue B, Austin, TX 78751	Public	General support	5,000
Helping Hand Home for Children 3804 Avenue B, Austin, TX 78751	Public	Memorial gift	500
Henderson County Food Pantry 715 E. Corsicana, Athens, TX 75751	Public	Food and nutrition	37,000
Henderson County United Way PO Box 1435, Athens, TX 75751	Public	General support	7,500
Intrepid Fallen Heroes Fund One Intrepid Square, 46th St. & 12th Ave., New York, NY 10036	Public	Support for U.S. war veterans	50,000
Junior League of Austin 5416 Parkcrest, Suite 100, Austin, TX 78731	Public	Support for various charitable organizations	5,000
Make-A-Wish Foundation - Central & South Texas 2224 Walsh Tarlton Lane, Suite 200, Austin, TX 78746	Public	Program expenses	5,000
Make-A-Wish Foundation - North Texas Northeast Regional Office, 102 N. College, Tyler, TX 75702	Public	Program expenses	15,000

Statement 7A Page 2 of 7

Part XV, Line 3a - Grants & Contributions Paid During the Year

Activity/Recipient/Address	Status	Purpose	Amount
Ronald McDonald House Charities 403 E 15th Street, Austin, TX 78701	Public	Program expenses	2,500
RunTex Foundation 420 W Riverside, Austin, TX 78704	Public	Program expenses	1,000
Salvation Army-Austin 501 E 8th Street, Austin, TX 78701	Public	General support	10,000
Salvation Army-Austin 501 E 8th Street, Austin, TX 78701	Public	Memorial gift	50,000
St. Vincent Citizens Nutrition Program 2131 West Third Street, Los Angeles, CA 90057-0992	Public	Food and nutrition	67,500
West Austin Care Givers 2601 Exposition Blvd., Austin, TX 78703	Public	Program expenses	5,000
Total Human Needs and Services			383,000
Public and Community Benefit			
Austin Community Foundation PO Box 5159, Austin, TX 78763	Public	Program expenses	17,000
Boy Scouts of America, Capitol Area 7540 Ed Bluestein Blvd., Austin, TX 78723-2399	Public	Program expenses	10,000
Capital of Texas Public Telecommunications Council 2504-B Whitts, Austin, TX 78705	Public	Underwrite children's programs on PBS television	22,000
City of Athens, Texas 508 E Tyler Street, Athens, TX 75751	Public	Fire department & community programs	10,000
Congressional Medal of Honor Foundation 4835 LBJ Freeway, #650, Dallas, TX 75244	Public	General support	10,000
Congressional Medal of Honor Foundation 4835 LBJ Freeway, #650, Dallas, TX 75244	Public	Educational initiatives	5,000
Greater Austin Crime Commission PO Box 27016, Austin, TX 78755	Public	Program expenses	2,000
Henderson County Historical Society 217 N. Prairieville, Athens, TX 75751	Public	Program expenses	4,000
Henderson County Humane Society PO Box 162, Athens, TX 75751	Public	Program expenses	2,000
Hunts for Heroes PO Drawer 1663, El Campo, TX 77437	Public	General support	2,000
Keep Athens Beautiful 203 N. Prairieville, Athens, TX 75751	Public	Beautification programs	10,000

Statement 7A Page 3 of 7

Part XV, Line 3a - Grants & Contributions Paid During the Year

Activity/Recipient/Address	Status	Purpose	Amount
KIDFISH Foundation 413 S Carroll Street, Athens, TX 75751	Public	Program expenses	3,000
Public Library Fund 121 S. Prairieville, Athens, TX 75751	Public	Purchase books and other materials for library	2,000
Sharrng God's Love 1903 Forest Trail, Austin TX 78703	Public	Memorial gift	10,000
Total Public and Community Benefit			109,000
Cultural Institutions			
Program Presentation and Support			
Athens Historical Preservation PO Box 350, Athens, TX 75751	Public	General support	25,000
East Texas Arboretum & Botanical Society 1601 Patterson Road, Athens, TX 75751	Public	General support	25,000
National D-Day Memorial Foundation LTD PO Box 77, Bedford, VA 24523	Public	General support	5,000
Texas Music Office PO Box 13246, Austin, TX 78711	Public	Program expenses	28,000
Total Cultural Institutions			83,000
Scientific and Medical Institutions			
Research and Treatment			
Alzheimer's Association of Greater Austin 3429 Executive Center, Austin, TX 78731	Public	General support	5,000
Children's Burn Foundation 4929 Van Nuys Blvd., Sherman Oaks, CA 91403	Public	Memorial gift	1,000
Children's Cancer Fund of Dallas 2900 Live Oak, Dallas, TX 75204	Public	General support	10,000
Dallas VA Medical Center 4500 S Lancaster Road, Suite 140, Dallas, TX 75216	Public	Program expenses	26,500
Daughters of Charity of St. Vincent de Paul 1201 West 38th Street, Austin, TX 78705	Public	Hospital endowment	50,000
Daughters of Charity of St. Vincent de Paul 1201 West 38th Street, Austin, TX 78705	Public	General support	40,000

Statement 7A Page 4 of 7

Part XV, Line 3a - Grants & Contributions Paid During the Year.

Activity/Recipient/Address	Status	Purpose	Amount
Daughters of Charity of St. Vincent de Paul 1201 West 38th Street, Austin, TX 78705	Public	Memorial gift	10,000
East Texas Medical Center 2000 S. Palestine, Athens, TX 75751	Public	Hospital program expenses	3,000
Southwestern Medical Foundation 2305 Cedar Springs Road, Suite 150, Dallas, TX 75201-7805	Public	Memorial gift	3,500
Texas Scottish Rite Hospital 2222 Welborn Street, Dallas, TX 75219	Public	Hip disorders research	20,000
Texas Scottish Rite Hospital 2222 Welborn Street, Dallas, TX 75219	Public	Cerebral Palsy research	5,000
University of Texas at Austin System 601 Colorado Street, Austin, TX 78701-2982	Public	Research endowment	550,000
University of Texas Health Center at Tyler Highway 271 at Highway 155, Tyler, TX 75710	Public	Research endowment	100,000
University of Texas Southwestern Medical Center 5323 Harry Hines Boulevard, Dallas, TX 75235	Public	Memorial gift	10,000
University of Texas Southwestern Medical Center 5323 Harry Hines Boulevard, Dallas, TX 75235	Public	Research endowments	2,125,000
Zale Lipshy University Hospital 5151 Harry Hines Blvd., Dallas, TX 75235	Public	Hospital program expenses	15,000
Total Research and Treatment			2,974,000
Scientific and Medical Institutions Facilities & Equipment			
Disciples Clinic of Athens, Texas 604 York Street, Athens, TX 75751	Public	Facilities enhancements	60,000
East Texas Medical Center 2000 S. Palestine, Athens, TX 75751	Public	Facilities enhancements	40,400
Total Facilities & Equipment			100,400
Educational Institutions Scholarships and Awards			
Athens High School 708 E. College Street, Athens, TX 75751	Public	Scholarships	13,000
Educational Opportunities, Inc. 8350 N. Central Expressway, Suite 775, Dallas, TX 75206	Public	Scholarships	5,600

Statement 7A Page 5 of 7

Part XV, Line 3a - Grants & Contributions Paid During the Year

Activity/Recipient/Address	Status	Purpose	Amount
Ex-Student's Association of University of Texas 21110 San Jacinto, Austin, TX 78705	Public	Scholarships	12,500
Grammy Foundation 3402 Pico Blvd., Santa Monica, CA 90405	Public	Scholarships	7,500
Huston-Tillotson University 900 Chicon Street, Austin, TX 78702-2795	Public	Scholarships	20,000
National Football Foundation 21st at San Jacinto, Bellmont Hall, Austin, TX 78705	Public	Scholarships	12,000
North American Folk Music and Dance Alliance 5105 S Main Street, Memphis, TN 38103	Public	Scholarships	10,000
Southern Methodist University 6425 Boaz Lane, Dallas, TX 75205	Public	Scholarships	50,000
St Andrew's Episcopal School 1112 West 35th Street, Austin, TX 78705	Public	Scholarships	10,000
Texas A&M University 1501 Texas Avenue, South, College Station, TX 77840	Public	Scholarships	225,000
Texas College 2404 Grand Avenue, Tyler, TX 75702	Public	Scholarships	15,000
University of Texas at Austin 2400 Inner Campus Drive, Austin, TX 78712	Public	Endowed scholarship	20,000
Visitation Academy 3020 N. Ballas Road, St. Louis, MO 63131	Public	Scholarships	10,000
Total Scholarships and Awards			410,600
Educational Institutions Facilities and Equipment			
Athens High School 708 E. College Street, Athens, TX 75751	Public	Band equipment	3,000
University of Texas at Austin 2400 Inner Campus Drive, Austin, TX 78712	Public	Facility enhancements	96,000
Total Facilities and Equipment			99,000
Educational Institutions Educational Programs			
Hockaday School 11600 Welch Road, Dallas, TX 75229	Public	Program expenses	5,000

Statement 7A Page 6 of 7

Part XV, Line 3a - Grants & Contributions Paid During the Year

Activity/Recipient/Address	Status	Purpose	Amount
Hyde School 616 High Street, Bath, ME 04530 University of Texas at Austin 2400 Inner Campus Drive, Austin, TX 78712 Total Educational Programs	Public Public	Program expenses Program expenses	10,000 42,000 57,000
Educational Institutions Special Programs			
National Guard Association Texas Educational Foundation PO Box 10045, Austin, TX 78766 Odyssey School 4407 Red River Street, Austin, TX 78751 Rise School of Austin 4220 Monterey Oaks Blvd., Austin, TX 78749 Texas A&M University 1501 Texas Avenue, South, College Station, TX 77840 Tyler Catholic School Foundation PO Box 131175, Tyler, TX 75713 University of Texas at Austin 2400 Inner Campus Drive, Austin, TX 78712 University of Texas at Austin 2400 Inner Campus Drive, Austin, TX 78712 University of Texas at Austin 2400 Inner Campus Drive, Austin, TX 78712 University of Texas at Austin System 601 Colorado Street, Austin, TX 78701-2982 University of Texas Foundation PO Box 250, Austin, TX 78767-0250 University of Texas Law School Foundation 727 East 26th Street, Austin, TX 78705 Total Special Programs	Public Public Public Public Public Public Public Public Public Public Public Public Public Public	Program expenses General support Program expenses Memorial gift Memorial gift Endowed chairs ROTC department program expenses Program expenses Program expenses General support Student education program expenses	30,000 3,000 5,000 5,000 1,000 1,275,000 16,350 16,500 10,000 1,200 251,000 1,614,050
Religious Institutions Religious Programs and Projects			
Fellowship of Christian Athletes 1011 E. 53 1/2 Street, Suite 200, Austin, TX 78751	Public	Program expenses	5,000

Statement 7A Page 7 of 7

Part XV, Line 3a - Grants & Contributions Paid During the Year.

Activity/Recipient/Address	Status	Purpose	Amount
First Presbyterian Church 306 East Tyler Street, Athens, TX 75751	Public	Christmas benevolence for the needy	15,000
First Presbyterian Church 306 East Tyler Street, Athens, TX 75751	Public	Program expenses	30,000
Good Shepherd Episcopal Church 2206 Exposition Blvd., Austn, TX 78703	Public	Christmas benevolence for the needy	5,000
Good Shepherd Episcopal Church 2206 Exposition Blvd., Austn, TX 78703	Public	Memorial gift	1,000
Good Shepherd Episcopal Church 2206 Exposition Blvd., Austn, TX 78703	Public	Program expenses	10,000
Ministry of Challenge PO Box 6189, Austin, TX 78762-6189	Public	Program expenses	17,000
Ministry of Healing PO Box 7261, Tyler, TX 75711-7261	Public	Program expenses	5,000
Mt. Dearborn Methodist Church PO Box 236, Great Falls, SC 29055	Public	Christmas benevolence for the needy	5,000
St Paul's Lutheran Church 3501 Red River Street, Austin, TX 78705	Public	Memorial gift	100
Tarrytown United Methodist Church 2601 Exposition Blvd., Austin, TX 78703	Public	Memorial gift	500
Trinity Presbyterian Church 5500 Morris Road, Flower Mound, TX 75028	Public	Christmas benevolence for the needy	10,000
Westminster Presbyterian Church 3208 Exposition Blvd., Austin, TX 78763	Public	Christmas benevolence for the needy	15,000
Westminster Presbyterian Church 3208 Exposition Blvd., Austin, TX 78763	Public	Program expenses	75,000
Young Life - Athens PO Box 520, Colorado Springs, CO 80901-0520	Public	Program expenses	5,000
Total Religious Programs and Projects			198,600
Total Contributions			6,028,650

Statement 7B

Part XV, Line 3b - Grants and Contributions Approved for Future Payment

Recipient/Address	Status	Purpose	Amount
Southern Methodist University 6425 Boaz Lane, Dallas, TX 75205	Public	Scholarships	50,000
Total future payments			50,000

Statement 8

Part II, Line 10b - Investments - Corporate Stock:

Description	Beginning of Tax Year	End of Tax Year		
	Column A Book Value	# of Shares	Column B Book Value	Column C Fair Market Value
3Com Corporation	0	6,100	30,740	31,354
3M Company	114,176	0	0	0
Abbott Laboratories	95,204	8,500	378,349	429,845
Accenture LTD	116,066	0	0	0
ADC Telecommunications	0	4,000	28,053	25,960
Adobe Systems	122,363	0	0	0
Aeropostale	613,921	800	26,983	30,024
Aflac	61,824	0	0	0
Agco Corporation	723,399	0	0	0
Alcoa	147,990	0	0	0
Allegheny Energy	85,100	0	0	0
Allegiant Travel Company	0	800	34,309	30,168
Allied Waste Industries	88,764	0	0	0
Allstate Corporation	121,869	0	0	0
Altria Group	38,391	0	0	0
Amedisys	48,572	900	43,706	35,811
American Commercial Lines	30,117	0	0	0
American Electric Power Company	123,377	0	0	0
American Express Company	0	11,500	411,044	400,660
American International Group	323,655	0	0	0
American Italian Pasta Company, Class A	0	1,150	27,083	31,154
American Medical Systems Holding	45,111	2,500	45,111	38,550
American Reprographics Company	0	2,900	28,231	17,400
Amgen	20,147	0	0	0
AMN Healthcare Services	0	4,300	26,135	35,776
Amphenol Corporation, Class A	252,295	0	0	0

Statement 8

Part II, Line 10b - Investments - Corporate Stock:

Description	Beginning of Tax Year	End of Tax Year		
	Column A Book Value	# of Shares	Column B Book Value	Column C Fair Market Value
Amsurg Corporation	24,914	1,500	37,576	31,605
Anadarko Petroleum Corporation	116,875	0	0	0
Analogic Corporation	51,832	0	0	0
Apache Corporation	205,311	4,400	383,689	414,128
Apollo Group, Class A	677,578	5,200	323,751	296,920
Apple	99,551	2,500	297,187	471,250
Applied Signal Technology	0	1,500	26,212	30,735
Ashland	86,028	0	0	0
Asiainfo Holdings	0	2,250	25,785	49,635
Assurant	603,013	0	0	0
AT&T	316,776	0	0	0
Autodesk	115,080	0	0	0
Autoliv	24,635	0	0	0
Avery Dennison Corporation	0	10,700	408,456	381,455
Axsys Technologies	37,113	0	0	0
Azz	33,377	0	0	0
Baker Michael Corporation	0	800	33,346	28,560
Ball Corporation	98,167	0	0	0
Bally Technologies	50,865	0	0	0
Bank of America Corporation New	227,727	0	0	0
Baxter International	67,881	0	0	0
Beacon Roofing Supply	41,947	2,675	41,947	38,413
Becton Dickinson & Company	600,101	0	0	0
Benchmark Electronics	0	2,100	24,912	35,280
Bernstein Global Style Blend	9,788,882	0	0	0
Big Lots	77,858	0	0	0

Statement 8

Part II, Line 10b - Investments - Corporate Stock.

Description	Beginning of Tax Year	End of Tax Year		
	Column A Book Value	# of Shares	Column B Book Value	Column C Fair Market Value
Biomed Realty Trust	31,346	0	0	0
BJ's Wholesale Club	95,875	0	0	0
Black & Decker Corporation	98,665	0	0	0
BMC Software	675,250	12,200	398,513	453,352
Boeing Company	97,452	0	0	0
Brightpoint	0	4,200	30,605	30,954
Bristol Myers Squibb Company	59,190	16,900	345,626	368,420
Broadridge Financial Solutions LLC	0	1,900	25,103	39,539
Buckle	27,052	0	0	0
Buffalo Wild Wings	32,132	0	0	0
Ca	76,952	0	0	0
Caci International, Class A	46,878	900	46,878	42,858
Cal Dive International	0	2,900	29,817	22,272
Cameron International Corporation	374,658	0	0	0
Carbo Ceramics	0	795	30,938	46,420
Cardinal Health	115,771	0	0	0
Carter	0	1,100	30,254	25,960
Catalyst Health Solutions	43,499	0	0	0
Caterpillar	164,620	0	0	0
Cbiz	14,683	0	0	0
CBS Corporation, Class B W/I	138,505	0	0	0
Centex Corporation	67,152	0	0	0
Cephalon	610,063	0	0	0
Chase Multi-Strategy Hedge Fund (Class C-A Series)	3,750,000	4,538	3,750,000	4,894,687
Cheesecake Factory	0	1,500	26,942	27,270
Chemd Corporation	0	600	25,331	27,192

Statement 8

Part II, Line 10b - Investments - Corporate Stock:

Description	Beginning of Tax Year	End of Tax Year		
	Column A Book Value	# of Shares	Column B Book Value	Column C Fair Market Value
Chevron Corporation	176,633	0	0	0
Chubb Corporation	82,056	0	0	0
Church & Dwight	711,641	8,000	447,220	455,040
Circor International	43,448	0	0	0
Cisco Systems	81,404	19,000	356,733	433,390
Citigroup	348,742	0	0	0
Clean Harbors	44,042	0	0	0
Coca Cola Company	51,985	0	0	0
Coca Cola Enterprises	90,018	0	0	0
Colgate Palmolive Company	635,241	5,700	376,447	448,191
Comcast Corporation, Class A	19,113	0	0	0
Community Bank Systems	43,121	0	0	0
Conagra Foods	53,863	0	0	0
Conmed Corporation	45,064	0	0	0
ConocoPhillips	174,413	7,900	362,621	396,422
Consolidated Communications	0	2,100	30,745	29,022
Cooper Tire & Rubber Company	0	2,100	29,726	32,046
Corinthian Colleges	60,453	0	0	0
Covidien Limited	16,677	0	0	0
CSG Systems International	64,219	2,500	64,219	40,850
CSX Corporation	75,690	0	0	0
Cubic Corporation	0	800	29,734	27,768
Cubist Pharmaceuticals	27,870	0	0	0
Cullen Frost Bankers	1,017,833	110,036	1,017,833	5,148,584
Cummins	158,809	0	0	0
Daktronics	41,411	0	0	0

Statement 8

Part II, Line 10b - Investments - Corporate Stock:

Description	Beginning of Tax Year	End of Tax Year		
	Column A Book Value	# of Shares	Column B Book Value	Column C Fair Market Value
Danaher Corporation	403,118	0	0	0
Darling International	35,843	0	0	0
Dawson Geophysical Company	50,355	0	0	0
Deckers Outdoors Corporation	32,651	0	0	0
Del Monte Foods Company	34,610	0	0	0
Dell	175,844	0	0	0
Deluxe Corporation	0	2,300	24,641	32,729
Devon Energy Corporation	281,801	0	0	0
DG Fastchannel	19,442	0	0	0
Dineequity	0	1,300	37,361	27,508
Dionex Corporation	54,842	0	0	0
Discover Financial Services	90,423	0	0	0
Dollar Tree Stores	63,666	0	0	0
Dominion Resources VA	34,200	0	0	0
Dover Corporation	94,616	0	0	0
Dow Chemical Company	90,267	0	0	0
Dresser-Rand Group	0	13,400	368,140	394,898
Drew Industries	0	0	0	0
Dun & Bradstreet Corporation	83,519	0	0	0
DuPont (E.I.) De Nemours & Company	146,458	0	0	0
DXP Enterprises	30,853	0	0	0
Dyncorp International, Class A	0	1,900	23,706	32,300
E M C Corporation Mass Common	140,811	0	0	0
Eastman Chemical Company	78,447	0	0	0
Emcor Group	34,545	1,300	34,545	30,706
Energys	0	2,300	22,689	50,830

Statement 8

Part II, Line 10b - Investments - Corporate Stock:

Description	Beginning of Tax Year	End of Tax Year		
	Column A Book Value	# of Shares	Column B Book Value	Column C Fair Market Value
Englobal Corporation	22,579	0	0	0
Enesco International	104,593	0	0	0
Entertainment Properties Trust S/B/I	40,894	0	0	0
Eresearch Technology	58,287	0	0	0
Express Scripts, Class A	178,854	6,200	129,942	495,504
ExxonMobil Corporation	486,054	5,300	183,274	379,851
F5 Networks	0	1,135	27,342	50,950
Family Dollar Stores	35,048	0	0	0
Fidelity National Financial	46,391	0	0	0
Fifth Third Bancorp	128,629	0	0	0
First Bancorp Puerto Rico	41,910	0	0	0
FirstEnergy Corporation	521,364	0	0	0
Flowers Foods	27,494	0	0	0
Franklin Resource	0	4,000	377,214	418,520
Freeport-McMoran Copper & Gold, Class B	0	5,800	381,544	425,488
Gannett Company	135,942	0	0	0
Gap	105,758	0	0	0
General Electric Company	312,410	0	0	0
General Mills	448,241	0	0	0
Genesco	45,355	0	0	0
Genworth Financial, Class A	118,915	0	0	0
Glacier Bancorp	41,544	0	0	0
Global Payments	78,974	0	0	0
Goldman Sachs Group	137,414	2,600	293,204	442,442
Google, Class A	59,276	0	0	0
Gorman Rupp Company	11,032	0	0	0

Statement 8

Part II, Line 10b - Investments - Corporate Stock:

Description	Beginning of Tax Year	End of Tax Year		
	Column A Book Value	# of Shares	Column B Book Value	Column C Fair Market Value
Graftech International LTD	36,044	0	0	0
Green Mountain Coffee	42,019	0	0	0
Greif, Class A	44,681	0	0	0
GS Global Equity Long/Short Partners PLC A1	3,000,000	0	3,000,000	4,590,700
GS Global Equity Long/Short Partners PLC Class A, S23	750,000	0	750,000	0
Guess	495,555	0	0	0
Gulfmark Offshore	52,731	0	0	0
Gulfport Energy Corporation	0	3,900	28,278	29,757
Gymboree Corporation	46,541	800	26,452	34,056
Hartford Financial Services Group	92,430	0	0	0
Hewlett-Packard Company	504,911	8,800	283,197	417,648
Home Depot	177,782	15,000	367,265	376,350
Horace Mann Educators Corporation	0	2,900	27,239	36,047
Huron Consulting Group	42,538	0	0	0
IBM Corporation	210,938	0	0	0
Igate Capital Corporation	13,072	0	0	0
II VI	31,063	0	0	0
Illinois Tool Works	106,712	9,100	378,097	417,872
Ingram Micro, Class A	81,814	0	0	0
Inland Real Estate Corporation	25,105	0	0	0
Intel Corporation	137,269	22,800	350,484	435,708
Inter Parfums	16,762	0	0	0
Interdigital	0	1,400	39,443	28,784
International Business Machines Corporation	0	3,500	323,885	422,135
Interwoven	45,423	0	0	0
Intuitive Surgical	633,099	0	0	0

Statement 8

Part II, Line 10b - Investments - Corporate Stock:

Description	Beginning of Tax Year	End of Tax Year		
	Column A Book Value	# of Shares	Column B Book Value	Column C Fair Market Value
Nvidia Corporation	77,999	0	0	0
Occidental Petroleum Corporation	168,409	0	0	0
Odyssey Healthcare	0	2,800	27,674	39,032
Old Republic International Corporation	89,179	0	0	0
Olin Corporation	32,008	0	0	0
Omnicare	556,856	0	0	0
Optionsxpress Holdings	0	1,800	27,822	28,134
Oracle Corporation	24,433	0	0	0
Oriental Financial Group	41,212	0	0	0
Ormat Technologies	42,750	0	0	0
OSI Pharmaceuticals	619,333	0	0	0
Owens & Minor Holding Company	22,807	700	30,366	28,623
Owens-Illinois Incorporated	48,068	0	0	0
Oxford Industries	0	1,700	35,674	32,895
Pactiv Corporation	0	16,300	393,577	376,367
Papa Johns International	0	1,000	22,311	22,500
Parametric Technology Corporation	498,495	0	0	0
Parexel International Corporation	37,632	0	0	0
Parker Drilling Company	0	5,400	28,209	28,080
PDL Biopharma	0	3,400	25,211	28,594
Pepsi Bottling Group	81,839	0	0	0
Pepsico	132,847	0	0	0
Petmed Express	0	1,300	22,407	20,397
Pfizer	497,450	0	0	0
Philadelphia Consolidated Holding Corporation	0	0	0	0
Philip Morris International	88,198	0	0	0

Statement 8

Part II, Line 10b - Investments - Corporate Stock:

Description	Beginning of Tax Year	End of Tax Year		
	Column A Book Value	# of Shares	Column B Book Value	Column C Fair Market Value
Plantronics New	0	1,500	28,840	36,165
Polaris Industries	41,896	900	41,896	37,863
Powell Industries	0	735	21,742	27,033
Premiere Global Services	30,406	0	0	0
Prestige Brands Holdings	0	4,100	33,194	27,716
Proctor & Gamble Company	716,940	0	0	0
Provident Financial Service	23,048	0	0	0
Prudential Financial	88,714	0	0	0
PS Business Parks California	28,656	500	28,656	24,485
Psychiatric Solutions	41,157	0	0	0
Qlogic Corporation	161,281	0	0	0
Qualcomm	668,721	0	0	0
Quality Systems	43,927	0	0	0
Questor Pharmaceuticals	0	5,200	32,640	23,608
Quidel Corporation	42,366	0	0	0
Ralcorp Holdings New	26,027	0	0	0
Raytheon Company	443,683	8,100	386,426	366,768
Red Hat	0	18,180	286,484	469,226
Reliant Resources	74,492	0	0	0
Reynolds American	92,491	0	0	0
RF Micro Devices	0	5,700	30,193	22,686
Robbins & Myers	49,688	0	0	0
Rock-Tenn Company, Class A	47,770	730	19,105	31,974
Ross Stores	0	9,900	339,175	435,699
Russell 1000 Value Index Fund	0	207,000	10,243,085	11,117,970
Safeway	67,834	0	0	0

Statement 8

Part II, Line 10b - Investments - Corporate Stock:

Description	Beginning of Tax Year	End of Tax Year		
	Column A Book Value	# of Shares	Column B Book Value	Column C Fair Market Value
SAIC	469,474	22,300	409,373	394,933
Sanmina SCI Corporation	75,588	0	0	0
Sara Lee Corporation	135,641	0	0	0
Saul Centers	25,458	0	0	0
Scansource	0	843	17,532	21,404
Schering-Plough Corporation	41,131	0	0	0
Schlumberger LTD	62,611	0	0	0
Scotts Miracle-Gro Company	0	900	25,836	36,558
Senior Housing Properties Trust	24,495	0	0	0
Skyworks Solutions	34,062	0	0	0
Sohu.com	72,134	0	0	0
Solera Holdings	30,229	0	0	0
Sonosite	44,613	0	0	0
Southern Union Company	704,129	68,934	704,129	1,349,038
SPDR Gold Trust	0	3,400	297,325	348,602
Sprint Nextel Corporation	129,070	0	0	0
St. Jude Medical	113,862	0	0	0
Starent Networks Corporation	0	1,400	27,693	47,236
State Street Global	3,264,682	0	0	0
Steris Corporation	29,088	900	29,088	26,334
Stone Energy Corporation	39,081	0	0	0
Strayer Education	0	1,525	348,357	309,529
Sun Healthcare Group	33,220	0	0	0
Sunoco	43,379	0	0	0
Suntrust Banks	55,255	0	0	0
Supervalu	80,885	0	0	0
Sybase	33,423	1,300	33,423	51,428

Statement 8

Part II, Line 10b - Investments - Corporate Stock:

Description	Beginning of Tax Year	End of Tax Year		
	Column A Book Value	# of Shares	Column B Book Value	Column C Fair Market Value
Symantec Corporation	208,315	0	0	0
Syniverse Holdings	0	1,500	22,163	25,695
Synnex Corporation	46,325	1,000	28,812	25,730
Synovis Life Technologies	14,242	0	0	0
Target Corporation	63,236	0	0	0
TD Ameritrade Holding Corporation	0	20,100	377,759	387,930
Tech Data Corporation	36,693	0	0	0
Teledyne Technologies	15,126	0	0	0
Teletch Holdings	0	2,600	22,356	46,514
Templeton Foreign Equity Series	9,876,580	519,231	10,464,654	9,860,200
Tempur-Pedic International	0	2,900	26,823	56,173
Tennant Company	0	1,200	30,708	31,992
Tessera Technologies	0	1,000	28,209	22,110
Texas Instruments	140,034	0	0	0
Textron	65,435	0	0	0
Thermo Fisher Scientific	112,587	0	0	0
Tidewater	32,950	0	0	0
Time Warner	170,502	0	0	0
TNS	34,329	1,865	19,674	52,705
Torchmark Corporation	14,839	0	0	0
Tower Group	37,914	0	0	0
Tractor Supply Company	0	600	23,414	26,820
Travelers Companies	138,521	0	0	0
Tupperware Corporation	0	1,100	27,479	49,522
Tyco Electronics LTD	86,722	0	0	0
Tyco International Ltd ISIN #BM9021241064	20,559	0	0	0

Statement 8

Part II, Line 10b - Investments - Corporate Stock

Description	Beginning of Tax Year	End of Tax Year		
	Column A Book Value	# of Shares	Column B Book Value	Column C Fair Market Value
Tyson Foods, Class A	74,221	0	0	0
Ultratech	21,173	0	0	0
UMB Financial Corporation	46,795	0	0	0
United Parcel Service, Class B	24,940	0	0	0
United Technologies Corporation	654,297	0	0	0
UnitedHealth Group	35,126	0	0	0
Unum Group	176,393	0	0	0
Valeant Pharmaceuticals Intl	0	15,500	404,479	455,700
Valero Energy Corporation	506,430	0	0	0
Valmont Industries	18,101	0	0	0
Value Click	0	2,500	26,830	24,600
Vanguard Institutional Index Fund	10,735,212	99,288	10,946,402	9,434,379
Varian Medical Systems	568,847	0	0	0
Vasco Data Security International	37,199	0	0	0
Verifone Holdings Incorporated	0	3,500	28,768	46,550
Verizon Communications	52,888	0	0	0
Viacom, Class B	136,653	0	0	0
Vinus Medical Technologies	22,409	0	0	0
Vocus	42,542	0	0	0
Volterra Semiconductor Corporation	55,339	0	0	0
Wal Mart Stores	870,226	7,000	399,116	347,760
Walt Disney Company	112,477	0	0	0
Warnaco Group	150,715	1,100	26,386	44,583
Watson Wyatt & Company Holdings, Class A	0	700	33,341	30,506
WebSense	54,696	0	0	0
Wellington Inflation Hedges	4,324,856	375,257	4,427,740	4,893,350

Statement 8

Part II, Line 10b - Investments - Corporate Stock:

Description	Beginning of Tax Year		End of Tax Year	
	Column A Book Value	# of Shares	Column B Book Value	Column C Fair Market Value
Wells Fargo & Company	41,107	0	0	0
Western Digital Corporation	38,311	11,600	375,703	390,688
Whole Foods Market	0	13,600	382,218	436,016
WMS Industries	40,229	10,416	431,496	416,432
Woodward Governor Company	52,964	0	0	0
World Acceptance Corporation S C	0	1,300	28,734	32,617
World Fuel Service Corporation	0	700	30,864	35,595
Wright Express Corporation	0	1,200	27,516	33,492
Wright Medical Group	18,669	0	0	0
Wyeth	159,166	0	0	0
Wyndham Worldwide Corporation	48,629	0	0	0
Total Corporate Stock	88,377,331	1,960,607	62,669,066	71,225,766

Statement 9

Part II, Line 10c - Investments - Corporate Bonds:

Description	Beginning of Tax Year			End of Tax Year	
	Column A Book Value	Par/Face Value	Column B Book Value	Column C Fair Market Value	
CF CIS Government/Credit Index Fund	9,233,127	NA	9,151,438	9,722,959	
CF CIS Securitized Index Fund	7,576,297	NA	6,695,960	6,960,205	
GS Corporate Credit Investment Fund	0	NA	2,000,000	2,184,064	
Total Corporate Bonds	16,809,423	0	17,847,397	18,867,228	
Total Securities	105,186,754		80,516,463	90,092,995	

Statement 10

Part II, Line 11 - Investments - Land, Buildings and Equipment:

Description	Basis	Beginning of Tax Yr	End of Tax Year		
			Column A Book Value	Column B Book Value	Column C Fair Market Value
Real Estate - Block 124, Dallas, Texas	391,388	391,388	0	391,388	375,145
Total	391,388	391,388	0	391,388	375,145

Statement 11

Part II, Line 13 - Investments - Other:

Description	Basis	Beginning of Tax Yr	End of Tax Year		
			Column A Book Value	Column B Book Value	Column C Fair Market Value
Oil & Gas Royalty Interests (Producing)	323,099	323,099	12,043	323,099	1,209,052
Oil & Gas Royalty Interests (Non-producing)	4,086	4,086	0	4,086	4,086
Total	327,185	327,185	12,043	327,185	1,213,138

See Statement 5 for analysis of Accumulated Depletion.

Statement 12

Part II, Line 14 - Land, Buildings and Equipment:

Description	Basis at 10/31/09	Beginning of Tax Yr	End of Tax Year		
		Column A Book Value	Accum. Depret'n	Column B Book Value	Column Fair Market Value
Depreciable Assets					
Office Equipment	8,140	2,740	6,130	2,011	1,960
Furniture & Fixtures	41,070	2,672	39,640	1,430	5,517
Data Processing Equipment	13,497	7,713	7,987	5,510	2,719
Office Refurbishment	42,336	311	42,336	0	42,336
Office Condo - Building	115,091	54,348	64,396	50,695	172,499
Subtotal	220,135	67,785	160,490	59,645	225,031
Non-depreciable Assets					
Furniture & Fixtures	10,195	10,195	0	10,195	10,195
Office Condo - Land	29,212	29,212	0	29,212	94,042
Subtotal	39,407	39,407	0	39,407	104,237
Total	259,542	107,192	160,490	99,052	329,268

See Statement 5 for analysis of Accumulated Depreciation, additions and disposals.

Statement 13

Part IV, Line 1 & 2 - Capital Gains and Losses for Tax on Investment Income

# of Shares	Description	*How Acquired	Date Acquired	Date Sold	Sales Price	Cost	Gain (Loss)
Publicly Traded Securities							
989	CF SMAM Government/Credit Index Fund	P	14-Sep-01	31-Oct-08	44,434,909	60,559,347	(16,124,439)
318	CF CIS Government/Credit Index Fund	P	14-Sep-01	15-Jan-09	97,693	100,684	(2,991)
1,133	CF CIS Government/Credit Index Fund	P	14-Sep-01	15-Apr-09	34,306	32,407	1,899
8,754	CF CIS Government/Credit Index Fund	P	14-Sep-01	15-Jun-09	119,316	115,591	3,726
88	CF CIS Government/Credit Index Fund	P	14-Sep-01	30-Jun-09	911,466	893,594	17,872
699	CF CIS Government/Credit Index Fund	P	14-Sep-01	15-Jul-09	9,253	8,983	270
442	CF CIS Government/Credit Index Fund	P	14-Sep-01	15-Oct-09	73,479	71,353	2,126
806	CF SMAM Securitized Index Fund	P	30-Jun-08	14-Nov-08	47,692	45,163	2,529
567	CF SMAM Securitized Index Fund	P	30-Jun-08	28-Nov-08	74,966	76,365	(1,399)
94	CF SMAM Securitized Index Fund	P	30-Jun-08	15-Dec-08	53,162	53,721	(559)
413	CF CIS Securitized Index Fund	P	30-Jun-08	31-Dec-08	8,916	8,906	10
270	CF CIS Securitized Index Fund	P	30-Jun-08	30-Jan-09	39,532	39,130	402
258	CF CIS Securitized Index Fund	P	30-Jun-08	13-Feb-09	25,634	25,583	51
1,172	CF CIS Securitized Index Fund	P	30-Jun-08	13-Mar-09	24,585	24,446	139
867	CF CIS Securitized Index Fund	P	30-Jun-08	31-Mar-09	111,680	111,048	632
778	CF CIS Securitized Index Fund	P	30-Jun-08	30-Apr-09	83,319	82,149	1,169
158	CF CIS Securitized Index Fund	P	30-Jun-08	29-May-09	75,124	73,740	1,384
8,264	CF CIS Securitized Index Fund	P	30-Jun-08	15-Jun-09	15,271	14,975	295
635	CF CIS Securitized Index Fund	P	30-Jun-08	14-Aug-09	788,634	783,275	5,359
418	CF CIS Securitized Index Fund	P	30-Jun-08	15-Sep-09	61,887	60,230	1,657
780	CF CIS Securitized Index Fund	P	30-Jun-08	15-Oct-09	40,922	39,652	1,270
1,286	Wellington Inflation Hedge	P	Various	03-Nov-08	76,697	74,003	2,694
892	Wellington Inflation Hedge	P	Various	02-Feb-09	14,115	15,277	(1,162)
770	Wellington Inflation Hedge	P	Various	01-May-09	8,475	10,526	(2,051)
781	Wellington Inflation Hedge	P	Various	03-Aug-09	7,981	9,081	(1,100)
					9,515	9,217	298
Total Fixed Income					2,813,619	2,779,100	34,520
Total Publicly Traded Securities & Fixed Income					47,248,528	63,338,447	(16,089,919)

* (P) Purchase, (S) Spin-off/Split, (EX) Exchange, (M) Merge, (NC) Name Change, (D) Dividend

Statement 14

Part VIII, Line 1 - Officers, Directors, Trustees, Managers and Their Compensation:

(A) Name and Address	(B) Title and Average Hours per Week Devoted to Position	(C) Compensation	(D) Benefit and Retirement Plans	(E) Expense Account
Franklin W Denius 700 Lavaca Street, Suite 700 Austin, Texas 78701-3102	Director, President 32.1 Hours per week	29,950	0	0
John C. Cain 102 W. Tyler Athens, Texas 75751	Director, Vice President 11.8 Hours per week	29,950	0	0
Charmaine D. McGill 4131 Spicewood Springs, #A-1 Austin, TX 78759	Director, Vice President, Grants Administrator 32.61 Hours per week	73,450	6,331	0
F. Wofford Denius 4215 Glencoe Avenue, 2nd Floor Marina del Rey, CA 90292-5634	Director, Vice President 12.7 Hours per week	29,950	0	0
Lynn Fowler 4131 Spicewood Springs, #A-1 Austin, Texas 78759	Executive Director, Secretary & Treasurer 44.48 Hours per week	174,200	24,042	0
Mary Bratz 4131 Spicewood Springs, #A-1 Austin, Texas 78759	Business Manager, Assistant Secretary 40.0 Hours per week	56,100	8,083	0
		393,600	38,456	0

Statement 15

Part XV, Supplementary Information:

Line 2a - Name and Address of the Person to Whom Applications Should be Addressed:

Mrs. Lynn Fowler, Executive Director
The Cain Foundation
4131 Spicewood Springs Road, Suite A-1
Austin, Texas 78759
Telephone (512) 346-7490
FAX (512) 346-7491
Email: info@cainfoundation.org

Line 2b - Application Form:

The Foundation does not accept unsolicited grant applications and no grants are made to or for the benefit of individuals. If solicited, the grant application should be a one page letter that includes (1) a description of the organization and the magnitude of its activities, (2) the amount being requested with an explanation of the purpose for which the grant would be used and the magnitude of the total project or program, and (3) what other efforts are being pursued to raise the balance of the total cost of the project or program. In addition to the one page letter, the Foundation requests prospective grantees to send (1) a copy of their IRS determination letter showing that the organization is tax-exempt and classified as a 501(c)(3) public charity, and (2) a letter, signed by an authorized representative of the organization, stating that there is no knowledge that the IRS has given notice of a change in status to such organization. Additional information may be requested after receipt of the initial letter.

Line 2c - Submission Deadlines:

There are no submission deadlines

Line 2d - Restrictions or Limitations on Awards:

The Foundation provides grants and contributions, on a *highly* selective basis, primarily to Scientific, Medical, and Educational institutions. Substantially all of the grants and contributions are dedicated for purposes that fulfill the Foundation's philanthropic goals and are made to organizations with which the Foundation has an existing historical relationship. The Foundation does not accept unsolicited grant applications and no grants are made to or for the benefit of individuals.