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Form **990-PF**

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

OMB No 1545-0052

**2009**

Department of the Treasury  
Internal Revenue Service

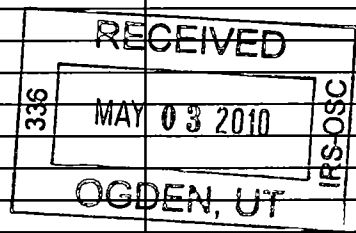
Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2009, or tax year beginning , and ending

G Check all that apply.  Initial return  Initial return of a former public charity  Final return  
 Amended return  Address change  Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation <b>FORMBY FOUNDATION</b>		A Employer identification number <b>74-2644571</b>
	Number and street (or P O box number if mail is not delivered to street address) <b>3825 LAKE AUSTIN BLVD</b>	Room/suite <b>402</b>	B Telephone number (see page 10 of the instructions) <b>512-477-8000</b>
	City or town, state, and ZIP code <b>AUSTIN TX 78703</b>		C If exemption application is pending, check here <input type="checkbox"/> D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
H Check type of organization. <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation			
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) <b>\$ 18,943</b>		J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>Revenue</b>	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	37	37		
	4 Dividends and interest from securities	6,376	6,376		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10 Stmt 1	-33,737			
	b Gross sales price for all assets on line 6a 203,995				
	7 Capital gain net income (from Part IV, line 2)		67		
	8 Net short-term capital gain			0	
	9 Income modifications				
	10a Gross sales less returns & allowances				
b Less Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule) Stmt 2	955	955			
12 Total. Add lines 1 through 11	-26,369	7,435	0		
<b>Operating and Administrative Expenses</b>	13 Compensation of officers, directors, trustees, etc				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) Stmt 3	1,807	903		904
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions) Stmt 4	110	110		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings	1,003			1,003
	22 Printing and publications				
	23 Other expenses (att sch)				
	24 Total operating and administrative expenses. Add lines 13 through 23	2,920	1,013		1,907
	25 Contributions, gifts, grants paid	49,847			49,847
26 Total expenses and disbursements. Add lines 24 and 25	52,767	1,013	0	51,754	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	-79,136				
b Net investment income (if negative, enter -0-)		6,422			
c Adjusted net income (if negative, enter -0-)			0		



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Part II	Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions )	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
<b>Assets</b>	1	Cash—non-interest-bearing	26,333	18,943	18,943
	2	Savings and temporary cash investments			
	3	Accounts receivable ▶ Less: allowance for doubtful accounts ▶			
	4	Pledges receivable ▶ Less: allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions)			
	7	Other notes and loans receivable (att schedule) ▶ Less allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)			
	c	Investments—corporate bonds (attach schedule)			
	11	Investments—land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule) <b>See Statement 5</b>	191,596	119,850	
	14	Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶			
15	Other assets (describe ▶ )				
16	<b>Total assets</b> (to be completed by all filers—see the instructions Also, see page 1, item I)	217,929	138,793	18,943	
<b>Liabilities</b>	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 (attach schedule)			
	22	Other liabilities (describe ▶ )			
	23	<b>Total liabilities</b> (add lines 17 through 22)	0	0	
<b>Net Assets or Fund Balances</b>	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds	217,929	138,793		
30	<b>Total net assets or fund balances</b> (see page 17 of the instructions)	217,929	138,793		
31	<b>Total liabilities and net assets/fund balances</b> (see page 17 of the instructions)	217,929	138,793		

**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	217,929
2	Enter amount from Part I, line 27a	2	-79,136
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	138,793
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	138,793

**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.)
<b>1a</b>	<b>HARBOR BOND FUND INST CL</b>			
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				
(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)	
<b>a</b>	<b>67</b>		<b>67</b>	
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				
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) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
<b>a</b>			<b>67</b>	
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				
<b>2</b>	Capital gain net income or (net capital loss) <span style="font-size: small;">[ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 ]</span>		<b>2</b>	<b>67</b>
<b>3</b>	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8 <span style="font-size: small;">]</span>		<b>3</b>	

**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 page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2008	<b>103,748</b>	<b>241,356</b>	<b>0.429855</b>
2007	<b>68,166</b>	<b>321,284</b>	<b>0.212167</b>
2006	<b>69,579</b>	<b>345,780</b>	<b>0.201223</b>
2005	<b>76,340</b>	<b>356,480</b>	<b>0.214149</b>
2004	<b>55,534</b>	<b>285,947</b>	<b>0.194211</b>
<b>2</b>	Total of line 1, column (d)		<b>1.251605</b>
<b>3</b>	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		<b>0.250321</b>
<b>4</b>	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5		<b>158,975</b>
<b>5</b>	Multiply line 4 by line 3		<b>39,795</b>
<b>6</b>	Enter 1% of net investment income (1% of Part I, line 27b)		<b>64</b>
<b>7</b>	Add lines 5 and 6		<b>39,859</b>
<b>8</b>	Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18		<b>51,754</b>

**Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)**

<b>1a</b>	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter <b>(attach copy of letter if necessary—see instructions)</b>		
<b>b</b>	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	<b>1</b>	<b>64</b>
<b>c</b>	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)		
<b>2</b>	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>2</b>	<b>0</b>
<b>3</b>	Add lines 1 and 2	<b>3</b>	<b>64</b>
<b>4</b>	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>4</b>	<b>0</b>
<b>5</b>	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-	<b>5</b>	<b>64</b>
<b>6</b>	Credits/Payments.		
<b>a</b>	2009 estimated tax payments and 2008 overpayment credited to 2009	<b>6a</b>	
<b>b</b>	Exempt foreign organizations—tax withheld at source	<b>6b</b>	
<b>c</b>	Tax paid with application for extension of time to file (Form 8868)	<b>6c</b>	
<b>d</b>	Backup withholding erroneously withheld	<b>6d</b>	
<b>7</b>	Total credits and payments. Add lines 6a through 6d	<b>7</b>	
<b>8</b>	Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	<b>8</b>	
<b>9</b>	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b>	<b>9</b>	<b>64</b>
<b>10</b>	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b>	<b>10</b>	
<b>11</b>	Enter the amount of line 10 to be <b>Credited to 2010 estimated tax</b> <input type="checkbox"/> <b>Refunded</b> <input type="checkbox"/>	<b>11</b>	

**Part VII-A Statements Regarding Activities**

		Yes	No
<b>1a</b>	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?		<b>X</b>
<b>b</b>	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? If the answer is "Yes" to <b>1a</b> or <b>1b</b> , attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		<b>X</b>
<b>c</b>	Did the foundation file <b>Form 1120-POL</b> for this year?		<b>X</b>
<b>d</b>	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: <b>(1)</b> On the foundation <b>\$</b> _____ <b>(2)</b> On foundation managers. <b>\$</b> _____		
<b>e</b>	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <b>\$</b> _____		
<b>2</b>	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		<b>X</b>
<b>3</b>	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		<b>X</b>
<b>4a</b>	Did the foundation have unrelated business gross income of \$1,000 or more during the year?		<b>X</b>
<b>b</b>	If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year?	<b>N/A</b>	
<b>5</b>	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		<b>X</b>
<b>6</b>	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?	<b>X</b>	
<b>7</b>	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	<b>X</b>	
<b>8a</b>	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <b>TX</b>		
<b>b</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	<b>X</b>	
<b>9</b>	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 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV		<b>X</b>
<b>10</b>	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		<b>X</b>

**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 page 20 of the instructions)	11		<b>X</b>
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		<b>X</b>
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ <b>N/A</b>	13	<b>X</b>	
14	The books are in care of ▶ <b>WILLIAM &amp; KATRINE FORMBY</b> <b>3825 LAKE AUSTIN BLVD, #402</b> Located at ▶ <b>AUSTIN, TX</b>	Telephone no. ▶ <b>512-477-8000</b> ZIP+4 ▶ <b>78703</b>		
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		<input type="checkbox"/>

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days ) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	<b>N/A</b>	1b
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?	<b>N/A</b>	1c
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? If "Yes," list the years ▶ 20 , 20 , 20 , 20	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
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 page 20 of the instructions )	<b>N/A</b>	2b
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20 , 20 , 20 , 20		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b	If "Yes," did it have excess business holdings in 2009 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 2009.)	<b>N/A</b>	3b
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a <b>X</b>
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 2009?		4b <b>X</b>

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions)  Yes  No

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

**b** If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here  **N/A** **5b**

**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**  Yes  No **X**  
If "Yes" to 6b, file Form 8870

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

**b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? **7b**  Yes  No **N/A**

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

**1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
WILLIAM L FORMBY 3825 LAKE AUSTIN BLVD, #402	AUSTIN TX 78703 PRES/VP 2.00	0	0	0
KATRINE S FORMBY 3825 LAKE AUSTIN BLVD, #402	AUSTIN TX 78703 SEC/TRES 5.00	0	0	0

**2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."**

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

Total number of other employees paid over \$50,000

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

**3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."**

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

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

**Part IX-A Summary of Direct Charitable Activities**

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

	Expenses
1 N/A	
2	
3	
4	

**Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

	Amount
1 N/A	
2	
3 All other program-related investments. See page 24 of the instructions.	

Total. Add lines 1 through 3 ▶

**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	155,687
b	Average of monthly cash balances	1b	5,709
c	Fair market value of all other assets (see page 24 of the instructions)	1c	0
d	<b>Total</b> (add lines 1a, b, and c)	1d	161,396
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	161,396
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see page 25 of the instructions)	4	2,421
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	158,975
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	7,949

**Part XI Distributable Amount** (see page 25 of the 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	7,949
2a	Tax on investment income for 2009 from Part VI, line 5	2a	64
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	64
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	7,885
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	7,885
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	<b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	7,885

**Part XII Qualifying Distributions** (see page 25 of the 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	51,754
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	51,754
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	64
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	51,690

**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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				7,885
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only				
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2009.				
a From 2004	41,365			
b From 2005	58,781			
c From 2006	52,623			
d From 2007	52,464			
e From 2008	91,900			
f Total of lines 3a through e	297,133			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 51,754				
a Applied to 2008, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2009 distributable amount				7,885
e Remaining amount distributed out of corpus	43,869			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a) )				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e Subtract line 5	341,002			
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions				
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)	41,365			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	299,637			
10 Analysis of line 9.				
a Excess from 2005	58,781			
b Excess from 2006	52,623			
c Excess from 2007	52,464			
d Excess from 2008	91,900			
e Excess from 2009	43,869			

**Part XIV Private Operating Foundations** (see page 27 of the instructions and Part VII-A, question 9)

**1a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, 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)

**2a** Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

	Tax year	Prior 3 years			(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
<b>b</b> 85% of line 2a					
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed					
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
<b>3</b> Complete 3a, b, or c for the alternative test relied upon					
<b>a</b> "Assets" alternative test—enter.					
<b>(1)</b> Value of all assets					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i)					
<b>b</b> "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
<b>c</b> "Support" alternative test—enter					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
<b>(3)</b> Largest amount of support from an exempt organization					
<b>(4)</b> 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 page 28 of 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).)  
**WILLIAM L. FORMBY**

**b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest  
**N/A**

**2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**  
 Check here  if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the 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.  
**N/A**

**b** The form in which applications should be submitted and information and materials they should include  
**N/A**

**c** Any submission deadlines:  
**N/A**

**d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors.  
**N/A**

**Part XV Supplementary Information (continued)**

**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

<p>Recipient Name and address (home or business)</p>	<p>If recipient is an individual, show any relationship to any foundation manager or substantial contributor</p>	<p>Foundation status of recipient</p>	<p>Purpose of grant or contribution</p>	<p>Amount</p>
<p>a Paid during the year <b>See Statement 6</b></p>				<p><b>49,847</b></p>
<p><b>Total</b></p>			<p>▶ <b>3a</b></p>	<p><b>49,847</b></p>
<p>b Approved for future payment <b>N/A</b></p>				
<p><b>Total</b></p>			<p>▶ <b>3b</b></p>	





**Federal Statements****Form 990-PF - General Footnote****Description**

ELECTION TO DETERMINE BASIS IN MUTUAL FUND SHARES  
USING AN AVERAGE BASIS METHOD  
TAXPAYER HEREBY ELECTS UNDER REG 1.1012-1(e) TO ADOPT THE SINGLE-CATEGORY  
METHOD FOR COMPUTING BASIS IN SHARES OF THE CHARLES SCHWAB FUNDS, A  
REGULATED INVESTMENT COMPANY. THE SHARES HAVE BEEN PURCHASED AT VARIOUS  
TIMES AND NONE WERE AQUIRED BY GIFT.

## Federal Statements

## Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets

Whom Sold	Description	Date Acquired	Date Sold	Sale Price	How Received	Cost	Expense	Depreciation	Net Gain / Loss
47.8650	SH AMERICAN CENTURY INTL	Various	5/04/09	\$	Purchase	661	\$	\$	-5
760.4580	SH ARTIO INTL EQUITY FUND	Various	3/11/09	5,932	Purchase	12,218			-6,286
100.0000	SH INTL BUSINESS MACHINES	4/09/08	3/11/09	8,721	Purchase	11,646			-2,925
75.9790	SH JANUS CONTRARIAN FUND	Various	3/11/09	571	Purchase	1,393			-822
200.0000	SH JOHNSON & JOHNSON	4/09/08	3/11/09	9,591	Purchase	13,227			-3,636
144.0340	SH LOOMIS SAYLES BOND FUND	Various	4/01/09	1,469	Purchase	2,014			-545
600.0000	SH MRGN STNLY ASIA PAC FUND	12/09/08	2/18/09	5,555	Purchase	6,229			-674
3075.3680	SH OSTERWEIS STRATEGIC INC	Various	7/17/09	32,560	Purchase	30,547			2,013
16.4740	SH VANGUARD ENERGY FUND	Various	3/11/09	648	Purchase	630			18
1000.0000	SH VANGUARD INFLATION	4/06/09	9/17/09	12,431	Purchase	12,013			418
104.1080	SH VANGUARD PRECIOUS METALS	Various	3/11/09	1,103	Purchase	2,036			-933
500.0000	SH WESTERN ASSET EMGING MKT	4/13/09	10/16/09	8,973	Purchase	6,213			2,760
1000.0000	SH WESTERN ASSET EMGING MK	4/20/09	12/17/09	17,247	Purchase	12,813			4,434
888.9110	SH AMERICAN CENTURY INTL	Various	5/04/09	12,187	Purchase	12,266			-79
1500.0000	SH HARBOR BOND FUND	10/21/08	11/11/09	18,651	Purchase	17,141			1,510
1597.4440	SH JANUS CONTRARIAN FUND	2/07/08	3/11/09	12,013	Purchase	29,289			-17,276
1466.2250	SH LOOMIS SAYLES BOND FUND	Various	4/01/09	14,955	Purchase	20,505			-5,550

**Federal Statements**

**Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets (continued)**

Whom Sold	Description	Date Acquired	Date Sold	Sale Price	How Received	Cost	Expense	Depreciation	Net Gain / Loss
100.0000 SH MS EMERGING MKTS		12/10/07	2/18/09	\$ 992	Purchase	1,702	\$	\$	-710
247.2360 SH VANGUARD ENERGY FUND		Various	3/11/09	9,732	Purchase	9,458			274
432.1900 SH VANGUARD PRECIOUS METALS		Various	3/11/09	4,580	Purchase	8,452			-3,872
1200.0000 SH WESTN ASSET CLAYMORE		4/09/08	6/15/09	14,025	Purchase	14,547			-522
100.0000 SH WISDOMTREE EMERGING MKTS		4/22/08	7/21/09	4,158	Purchase	5,617			-1,459
36.0000 SH WESTRN ASSET EMERGING MKT		1/09/06	10/16/09	646	Purchase	640			6
364.0000 SH WSTRN ASSET EMERGING MKT		1/09/06	10/16/09	6,532	Purchase	6,475			57
<b>Total</b>				<b>\$ 203,928</b>		<b>\$ 237,732</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ -33,804</b>

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

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
Other Investment Income	\$ 955	\$ 955	\$
<b>Total</b>	<b>\$ 955</b>	<b>\$ 955</b>	<b>\$ 0</b>

## Federal Statements

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
BOOKKEEPING	\$ 607	303	\$	304
CPA FEES	1,200	600		600
Total	<u>\$ 1,807</u>	<u>903</u>	<u>\$ 0</u>	<u>904</u>

### Statement 4 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
PY FIT	\$ 110	110	\$	\$
Total	<u>\$ 110</u>	<u>110</u>	<u>\$ 0</u>	<u>0</u>

**Federal Statements**

**Statement 5 - Form 990-PF, Part II, Line 13 - Other Investments**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
AMERICAN CENTURY INTL BD	\$ 12,926			\$
ARTIO INTL EQUITY FUND	242			
DODGE & COX INTL STOCK		18,905	Cost	
FIDELITY FLOATING RATE		10,324	Cost	
FIDELITY NEW MKTS INCOME		15,051	Cost	
HARBOR BOND FUND	32,887	17,274	Cost	
INTL BUSINESS MACH.	11,646			
ISHARES MSCI ALL COUNTRY		9,203	Cost	
JANUS CONTRARIAN FUND	30,682			
JOHNSON & JOHNSON	13,227			
JULIUS BAER INTL EQUITY (ARTIO)	11,976			
LOOMIS SAYLES BOND FUND	22,223			
MRCN STNLY ASIA PAC FUND	6,229			
MS EMERGING MARKET FUND	1,702			
SALOMON BROS EMERGING MKT	7,115			
VANGUARD ENERGY FUND	10,089			
VANGUARD HIGH-YIELD CORP		15,736	Cost	
VANGUARD INFLATION		8,126	Cost	
VANGUARD PRECIOUS METALS	10,488			
VANGUARD PRIMECAP CORE		25,231	Cost	
WESTERN ASSET CLAYMORE	14,547			
WISDOMTREE TRUST	5,617			
<b>Total</b>	<b>\$ 191,596</b>	<b>\$ 119,850</b>		<b>\$ 0</b>

# Federal Statements

**Form 990-PF, Part XV, Line 1a - Managers Who Contributed Over 2% or \$5,000**

<u>Name of Manager</u>	<u>Amount</u>
WILLIAM L. FORMBY	\$ _____
Total	\$ _____ 0

**Federal Statements**

**Statement 6 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year**

Name	Address	Relationship	Status	Purpose	Amount
ANGEL BASKETS	PO BOX 22000	NONE	501 (C) 3	GENERAL FUND	1,800
TELLURIDE CO 81435	PO BOX 5159	NONE	501 (C) 3	GENERAL FUND	1,200
AUSTIN COMMUNITY	AUSTIN TX 78763	NONE	501 (C) 3	GENERAL FUND	4,397
CENTER FOR CHILD PROTECTI	8509 FM 969	NONE	501 (C) 3	GENERAL FUND	3,000
AUSTIN TX 78724		NONE	501 (C) 3	GENERAL FUND	2,500
CHANCE TO DANCE		NONE	501 (C) 3	GENERAL FUND	1,600
CHUYS CHILDREN GIVING TO	1623 TOOMEY ROAD	NONE	501 (C) 3	GENERAL FUND	2,500
AUSTIN TX 78704		NONE	501 (C) 3	GENERAL FUND	1,600
HOSPICE OF AUSTIN	4107 SPICEWOOD SPRINGS RO	NONE	501 (C) 3	GENERAL FUND	2,500
AUSTIN TX 78759		NONE	501 (C) 3	GENERAL FUND	250
HUSTON-TILLOTSON	900 CHICON STREET	NONE	501 (C) 3	GENERAL FUND	5,000
AUSTIN TX 78702-2795		NONE	501 (C) 3	GENERAL FUND	300
JUVENILE DIABESTES	26 BROADWAY	NONE	501 (C) 3	GENERAL FUND	1,500
NEW YORK NY 10004		NONE	501 (C) 3	GENERAL FUND	3,900
KLURU	PO BOX 7158	NONE	501 (C) 3	GENERAL FUND	300
AUSTIN TX 78713-7158		NONE	501 (C) 3	GENERAL FUND	1,500
PACIFIC SCHOOL		NONE	501 (C) 3	GENERAL FUND	3,900
REEL THING PRODCUTIONS	512 SOCIETY DRIVE	NONE	501 (C) 3	GENERAL FUND	300
TELLURIDE CO 81435		NONE	501 (C) 3	GENERAL FUND	1,500
TELLURIDE FILM FESTIVAL	5 CALIENTE ROAD	NONE	501 (C) 3	GENERAL FUND	3,900
SANTA FE NM 87508		NONE	501 (C) 3	GENERAL FUND	300
TELLURIDE HISTORICAL	201 W. GREGORY	NONE	501 (C) 3	GENERAL FUND	20,000
TELLURIDE CO 81435		NONE	501 (C) 3	GENERAL FUND	500
THE FIRST TEE	5501 ED BLUESTEIN	NONE	501 (C) 3	GENERAL FUND	1,100
AUSTIN TX 78723		NONE	501 (C) 3	GENERAL FUND	
TRAIL FOUNDATION	4004 HARBOR LIGHT COVE	NONE	501 (C) 3	GENERAL FUND	
AUSTIN TX 78731-5134		NONE	501 (C) 3	GENERAL FUND	
ZETA TAU ALPHA	14601 BEACH ROAD	NONE	501 (C) 3	GENERAL FUND	
CHESTERFIELD VA 23838		NONE	501 (C) 3	GENERAL FUND	

# Federal Statements

**Statement 6 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the**  
**Year (continued)**

Name	Address	Relationship	Status	Purpose	Amount
Total					49,847