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

2009

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 changeUse the IRS
label.
Otherwise,
print
or type.
See Specific
Instructions.

Name of foundation

Carl E. Kessler Family Foundation

Number and street (or P.O. box number if mail is not delivered to street address)

P.O. Box 121579

City or town, state, and ZIP code

Fort Worth, TX 76121-1579

A Employer identification number

75-2567397

B Telephone number

940-325-5629

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 foundationI Fair market value of all assets at end of year
(from Part II, col. (c), line 16)

\$ 10,413,891. (Part I, column (d) must be on cash basis)

J Accounting method:

☒ Cash☐ Accrual☐ 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))

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

Revenue

1 Contributions, gifts, grants, etc., received

2 Check ☒ if the foundation is not required to attach Sch B

3 Interest on savings and temporary cash investments

4 Dividends and interest from securities

5a Gross rents

b Net rental income or (loss) 6,696.

6a Net gain or (loss) from sale of assets not on line 10

b Gross sales price for all assets on line 6a 11,070,428.

7 Capital gain net income (from Part IV, line 2)

8 Net short-term capital gain

9 Income modifications

10a Gross sales less returns and allowances

b Less Cost of goods sold

c Gross profit or (loss)

11 Other income

12 Total Add lines 1 through 11

Operating and Administrative Expenses

13 Compensation for officers, directors, trustees, etc.

14 Other employee salaries and wages

15 Pension plans, employee benefits

16a Legal fees

b Accounting fees Stmt 4

c Other professional fees

17 Interest

18 Taxes Stmt 5

19 Depreciation and depletion

20 Occupancy

21 Travel, conferences, and meetings

22 Printing and publications

23 Other expenses Stmt 6

24 Total operating and administrative expenses. Add lines 13 through 23

25 Contributions, gifts, grants paid

26 Total expenses and disbursements. Add lines 24 and 25

27 Subtract line 26 from line 12:

a Excess of revenue over expenses and disbursements

b Net investment income (if negative, enter -0-)

c Adjusted net income (if negative, enter -0-)

6-14
17

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		77,833.	1,057,724.	1,057,724.
	2	Savings and temporary cash investments		1,279,975.	936,093.	936,093.
	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		1,048.	1,290.	
	7	Other notes and loans receivable ▶				
		Less: allowance for doubtful accounts ▶		1,704.		
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges		735.	735.	
	10a	Investments - U.S. and state government obligations				
	b	Investments - corporate stock Stmt 8		781,812.	3,344,340.	7,135,392.
	c	Investments - corporate bonds				
Liabilities	11	Investments - land, buildings, and equipment basis ▶	109,920.			
		Less: accumulated depreciation Stmt 9 ▶	5,882.	105,681.	104,038.	104,038.
	12	Investments - mortgage loans				
	13	Investments - other Stmt 10		76,472.	0.	0.
	14	Land, buildings, and equipment; basis ▶	1,209,250.			
		Less: accumulated depreciation Stmt 11 ▶	28,606.	1,186,136.	1,180,644.	1,180,644.
	15	Other assets (describe ▶)				
	16	Total assets (to be completed by all filers)		3,511,396.	6,624,864.	10,413,891.
	17	Accounts payable and accrued expenses				
	18	Grants payable				
Net Assets or Fund Balances	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable				
	22	Other liabilities (describe ▶ Statement 12)		<7,959.>	3,888.	
	23	Total liabilities (add lines 17 through 22)		<7,959.>	3,888.	
Net Assets or Fund Balances		Foundations that follow SFAS 117, check here ▶ ☐				
		and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
		Foundations that do not follow SFAS 117, check here ▶ ☒				
		and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds		0.	0.	
28	Paid-in or capital surplus, or land, bldg., and equipment fund		0.	3,435,841.		
29	Retained earnings, accumulated income, endowment, or other funds		3,519,355.	3,185,135.		
30	Total net assets or fund balances		3,519,355.	6,620,976.		
31	Total liabilities and net assets/fund balances		3,511,396.	6,624,864.		

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	3,519,355.
2	Enter amount from Part I, line 27a	2	<334,220.>
3	Other increases not included in line 2 (itemize) ▶ See Statement 7	3	3,435,841.
4	Add lines 1, 2, and 3	4	6,620,976.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	6,620,976.

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 Various Equities Sold		P		
b ST Capital Gain		P		
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 11,070,366.		11,120,127.	<49,761.>
b 62.			62.
c			
d			
e			

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

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			<49,761.>
b			62.
c			
d			
e			

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7	2	<49,699.>
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))
2008	173,164.	1,948,227.	.088883
2007	168,609.	2,277,577.	.074030
2006	50,870.	3,018,467.	.016853
2005	32,150.	1,301,173.	.024708
2004	16,250.	772,644.	.021032

2 Total of line 1, column (d)	2	.225506
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	.045101
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	6,749,085.
5 Multiply line 4 by line 3	5	304,390.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	523.
7 Add lines 5 and 6	7	304,913.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.	8	224,132.

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 or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b		1	1,046.
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	1,046.
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	1,046.
6 Credits/Payments:			
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a		
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7		0.
8 Enter any penalty for underpayment of estimated tax. Check here ☒ if Form 2220 is attached	8		7.
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		1,053.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11 Enter the amount of line 10 to be: Credited to 2010 estimated tax ☐ Refunded ☐	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see 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) ☐ TX		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (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 **▶ Carla Kessler** Telephone no. **▶ 817-793-1951**
 Located at **▶ P.O. Box 121579, Mineral Wells, TX** ZIP+4 **▶ 76121**

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	N/A	1b
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?		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?	☐ Yes ☒ No	
If "Yes," list the years ▶ _____ , _____ , _____		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)	N/A	2b
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ _____ , _____ , _____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No	
b If "Yes," did it have excess business holdings in 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.)	N/A	3b
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?		4b

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

6b

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?

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
Kenneth R. Kessler	President			
P.O. Box 121579				
Fort Worth, TX 76121	2.00	0.	0.	0.
David R. Kessler	Vice President			
P.O. Box 121579				
Fort Worth, TX 76121	2.00	0.	0.	0.
Carla K. Kessler	Secretary/Treasurer			
P.O. Box 121579				
Fort Worth, TX 76121	2.00	38,000.	0.	0.

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

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

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

0

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Part VIII**Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** (continued)**3** Five highest-paid independent contractors for professional services. If none, enter "NONE."

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

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

0

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

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

	Expenses
1 N/A	
2	
3	
4	

Part IX-B**Summary of Program-Related Investments**

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

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	4,701,652.
b	Average of monthly cash balances	1b	2,150,211.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	6,851,863.
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	6,851,863.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	102,778.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	6,749,085.
6	Minimum investment return. Enter 5% of line 5	6	337,454.

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	337,454.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	1,046.
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	1,046.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	336,408.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	336,408.
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	336,408.

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	224,132.
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	224,132.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	224,132.

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 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				336,408.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			29,578.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2009:				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2009 from Part XII, line 4: ► \$ 224,132.				
a Applied to 2008, but not more than line 2a			29,578.	
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 2009 distributable amount				194,554.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2009 (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 2008. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				141,854.
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 2004 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
See Statement 13				
Total				224,132.
b Approved for future payment				
None				
Total				0.

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

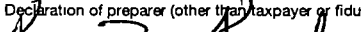
- | | | Yes | No |
|--|--|-------|----|
| 1. Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations? | | | |
| a | Transfers from the reporting foundation to a noncharitable exempt organization of: | | |
| | (1) Cash | 1a(1) | X |
| | (2) Other assets | 1a(2) | X |
| b | Other transactions: | | |
| | (1) Sales of assets to a noncharitable exempt organization | 1b(1) | X |
| | (2) Purchases of assets from a noncharitable exempt organization | 1b(2) | X |
| | (3) Rental of facilities, equipment, or other assets | 1b(3) | X |
| | (4) Reimbursement arrangements | 1b(4) | X |
| | (5) Loans or loan guarantees | 1b(5) | X |
| | (6) Performance of services or membership or fundraising solicitations | 1b(6) | X |
| c | Sharing of facilities, equipment, mailing lists, other assets, or paid employees | 1c | X |
| d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received. | | | |

[illegible]

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

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.				
Sign Here	 Signature of officer or trustee		11/15/10 Date	 Title
	Paid Preparer's Use Only Preparer's signature  Firm's name (or yours if self-employed), address, and ZIP code J. A. Garrison & Co., CPA's 500 West 7th Street, Suite 827 Fort Worth, Texas 76102	Date 11/15/10	Check if self-employed ☒	Preparer's identifying number EIN  Phone no. (817) 332-3921

Form **990-PF** (2009)

2009 DEPRECIATION AND AMORTIZATION REPORT

Form 990-PF Page 1

990-PF

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
101	Land	010106L				1,053,270.			1,053,270.			0.
	558 Grant Rd. -											
102	Land	010106L				20,900.			20,900.			0.
	558 Grant Rd. -											
103	Building	010106SL		39.00	16	64,600.			64,600.	4,968.		1,656.
	553 Grant Rd. -											
104	Land	010106L				4,040.			4,040.			0.
	553 Grant Rd. -											
105	Building	010106SL		39.00	16	26,140.			26,140.	2,010.		670.
	300 Industrial,											
106	Bldg # 336 - Land	010106L				6,659.			6,659.			0.
	300 Industrial,											
107	Bldg # 336 - Buildi	010106SL		39.00	16	11,291.			11,291.	870.		290.
108	2003 Chevy 1500	121306200DB		5.00	17	16,114.			16,114.	10,603.		2,204.
109	Fork Lift	030706200DB		5.00	17	4,000.			4,000.	3,064.		440.
	18 ft Trailer - C&S											
110	Trailers	051106200DB		5.00	17	2,075.			2,075.	1,515.		236.
111	CORDLESS PHONE	110308200DB		7.00	17	161.		81.	80.	80.		0.
	* Total 990-PF Pg 1											
	Depr					1,209,250.		81.	1,209,169.	23,110.	0.	5,496.

Form 990-PF	Dividends and Interest from Securities	Statement	1
Source	Gross Amount	Capital Gains Dividends	Column (A) Amount
Dividends	44,832.	0.	44,832.
Interest Income-CD	750.	0.	750.
Total to Form 990-PF, Part I, ln 4	45,582.	0.	45,582.

Form 990-PF	Rental Income	Statement	2
Kind and Location of Property	Activity Number	Gross Rental Income	
Non-Residential Rental	1	32,700.	
Total to Form 990-PF, Part I, line 5a		32,700.	

Form 990-PF	Rental Expenses	Statement	3
Description	Activity Number	Amount	Total
Depreciation		1,643.	
Repairs and Maintenance		24,361.	
- SubTotal -	1		26,004.
Total rental expenses			26,004.
Net rental Income to Form 990-PF, Part I, line 5b			6,696.

Form 990-PF	Accounting Fees			Statement	4
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes	
Accounting	5,050.	0.		0.	
To Form 990-PF, Pg 1, ln 16b	5,050.	0.		0.	

Form 990-PF	Taxes		Statement	5
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Property Taxes	18,780.	0.		0.
Other-Taxes	1,060.	0.		0.
To Form 990-PF, Pg 1, ln 18	19,840.	0.		0.

Form 990-PF	Other Expenses		Statement	6
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Automobile Expense	2,558.	0.		0.
Contract Labor	4,476.	0.		0.
Insurance - Auto	451.	0.		0.
Mobile Phone	2,134.	0.		0.
Office Expense	1,554.	0.		0.
Postage and Delivery	642.	0.		0.
Repairs and Maintenance	5,392.	0.		0.
Investment services & Publications	3,359.	0.		0.
Dues & Subscriptions	590.	0.		0.
Utilities	1,673.	0.		0.
Miscellaneous	1,483.	0.		0.
Penalties	17,128.	0.		0.
Repairs and Maintenance	24,361.	24,361.		0.
To Form 990-PF, Pg 1, ln 23	65,801.	24,361.		0.

Form 990-PF	Other Increases in Net Assets or Fund Balances	Statement	7
Description		Amount	
Net transfers from Carl E. Kessler Trust		3,435,841.	
Total to Form 990-PF, Part III, line 3		3,435,841.	

Form 990-PF	Corporate Stock	Statement	8
Description	Book Value	Fair Market Value	
Anglogold Ashanti & Other Inv.	3,344,340.	7,135,392.	
Total to Form 990-PF, Part II, line 10b	3,344,340.	7,135,392.	

Form 990-PF	Depreciation of Assets Held for Investment	Statement	9
Description	Cost or Other Basis	Accumulated Depreciation	Book Value
559 Grant Rd - Land	8,240.	0.	8,240.
559 Grant Rd - Building	12,310.	1,264.	11,046.
560 Grant Rd - Land	37,620.	0.	37,620.
560 Grant Rd - Building	15,240.	1,564.	13,676.
Overhead door repair	6,000.	539.	5,461.
Leasehold Improvements	18,170.	1,514.	16,656.
Leasehold Improvements	12,340.	1,001.	11,339.
Total to Fm 990-PF, Part II, ln 11	109,920.	5,882.	104,038.

Form 990-PF	Other Investments	Statement	10
Description	Valuation Method	Book Value	
The Carl E Kessler Family Trust Investment	Cost	0.	
Total to Form 990-PF, Part II, line 13		0.	

Form 990-PF	Depreciation of Assets Not Held for Investment	Statement	11
Description	Cost or Other Basis	Accumulated Depreciation	Book Value
Land	1,053,270.	0.	1,053,270.
558 Grant Rd. - Land	20,900.	0.	20,900.
558 Grant Rd. - Building	64,600.	6,624.	57,976.
553 Grant Rd. - Land	4,040.	0.	4,040.
553 Grant Rd. - Building	26,140.	2,680.	23,460.

300 Industrial, Bldg # 336 - Land	6,659.	0.	6,659.
300 Industrial, Bldg # 336 - Building	11,291.	1,160.	10,131.
2003 Chevy 1500	16,114.	12,807.	3,307.
Fork Lift	4,000.	3,504.	496.
18 ft Trailer - C&S Trailers	2,075.	1,751.	324.
CORDLESS PHONE	161.	161.	0.
Total To Fm 990-PF, Part II, ln 14	1,209,250.	28,687.	1,180,563.

Form 990-PF	Other Liabilities	Statement 12
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Description	BOY Amount	EOY Amount
Credit Cards Payable	<7,959.>	3,888.
Total to Form 990-PF, Part II, line 22	<7,959.>	3,888.

Form 990-PF

Grants and Contributions
Paid During the Year

Statement 13

Recipient Name and Address	Recipient Relationship and Purpose of Grant	Recipient Status	Amount
Action on Smoking and Health 2013 H Street, NW Washington, DC 20006	Community Service	Exempt	2,500.
American Cancer Society 250 Williams Street Atlanta, GA 303031002	Community Service-American Cancer Society	Exempt	4,000.
Bethel Baptist Church 1208 S. Grants Lane Fort Worth, TX 76108	Holiman Kids Across America	Exempt	2,000.
Big Shoulders Fund 309 W Washington Chicago, IL 60606	n/a Community Service - Children	Exempt	1,000.
Center for Education Reform 1001 Connecticut Ave NW #204 Washington, DC 20036	Education Reform in 40 States	Exempt	2,000.
Chair Scholars Foundation 16101 Carenacia Lane Odessa, FL 33556		Exempt	1,000.
Christian Heritage Ministry 4001 E Berry St Fort Worth, TX 76105	Dick Brown Ministry CA	Exempt	1,500.
City of Mineral Wells P.O. Box 1408 Mineral Wells, TX 76068	Jet Memorial		3,700.

Compassion for Life 10 Lori Dr. Mineral Wells, TX 76067	Community Service	Exempt	5,000.
Blessings in a Backpack P.O. Box 1628 Louisville, KY 70201			2,500.
Dave Thomas Foundation 4150 Tuller Road Suite 204 Dublin, OH 43017	adoption system	Exempt	1,000.
DonorsChoose.org 347 W. 36th Suite 503 New York, NY 10018		Exempt	21,832.
East Harlem Tutorial Program 2050 Second Avenue New York, NY 10029	Helps Poor Children Graduate	Exempt	2,500.
Education Through Music 122 E. 42nd St, #1501 New York, NY 10168			1,000.
Evergreen Freedom Foundation P.O. Box 552 Olympia, WA 98507			5,000.
First Christian Church Mineral Wells 302 N.W. 6th Street Mineral Wells, TX 76067	n/a Community Service and Religion	Exempt	2,500.
Fuller Center of Housing 701 S. Martin Luther King Blvd. Americus, GA 317192257	Habitat	Exempt	10,000.
Habitat for Humanity 3345 S. Jones St Fort Worth, TX 76110	Habitat	Exempt	5,000.

Hope, Inc. P.O. Box 1650 Mineral Wells, TX 76068	n/a Community Service - Domestic Violence Shelter	Exempt	10,000.
Humane Society of North Texas 1840 East Lancaster Fort Worth, TX 76103	n/a Community Service - Animal Shelter	Exempt	2,500.
Impact Missions 868 Goodaman Road Southaven, MS 38671	Community Service	exempt	1,000.
Jump Start 308 Congress St 6th Floor Boston, MA 02210		exempt	2,500.
Jonathan's Place P.O. Box 140085 Dallas, TX 75214	Helps Abused and Neglected children	Exempt	
KERA 3000 Harry Hines Blvd. Grand Prairie, TX 75050		Exempt	1,000.
Kids in Need 3077 Kettering Blvd Suite 114 Dayton, OH 45439			1,250.
Lena Pope Home 3131 Sanguinet Street Fort Worth, TX 76107	Community Service	Exempt	1,500.
BooEnds 6520 Platt Ave West Hills , CA 91307			1,000.
Charity Navigator 139 Harristown Road Suite 201 Glen Rock, NJ 07452			1,000.

Lion's Club Cripple Children's Camp P.O. Box 290247 Kerrville, TX 78029	n/a Community Service - Special needs Children	Exempt	10,000.
Literacy Assistance Center 32 Broadway 10th Floor New York, NY 10004		Exempt	1,000.
Meals on Wheels - 1410 S.E. Martin Luther King Jr. Blvd. P.O. Box 11 Mineral Wells, TX 76068	Helps Feed the Homebound	Exempt	2,000.
MedShare International 3240 Clifton Springs Road Decatur, GA 30034	Provides Medical Care to Poor & Needy	Exempt	5,000.
Michigan Anticruelty Society 13569 Joseph Campau St Detroit, MI 48212	n/a Community Service - Animals	Exempt	1,000.
Community Renewal International 838 Margaret Place Shreveport, LA 71101			20,000.
Mineral Wells High School Scholarship Fund 906 S.W. 5th Ave. Mineral Wells, TX 76067	n/a Community Service - Education	Exempt	10,000.
Mineral Wells Lion's Club P.O. Box 290247 Mineral Wells, TX 76067	n/a Community Service	Exempt	200.
Doctors Without Borders P.O. Box 5030 Hagerstown, MD 21741			2,500.
Mineral Wells Women's Club 201 N E 2nd Street Mineral Wells, TX 76067	Community Service	Exempt	1,500.

Muscular Dystrophy Association 3300 E. Sunrise Dr. Tucson, AZ 85718	Exempt	1,500.
Optimist International Foundation P.O. Box 952126 St. Louis, MO 63195	Exempt	1,250.
Pachamama Alliance P.O. Box 29191 San Francisco, CA 94129	Exempt	2,500.
Drug Free Program		200.
Fifty Year Club Mineral Wells, TX 76067		1,000.
Physicians for Human Rights Two Arrow St. Suite 301 Cambridge, MA 02138		1,250.
Palo Pinto Hospital Auxillary 400 S.W. 25th Ave. Mineral Wells, TX 76067	n/a Community Service	Exempt 1,000.
Palo Pinto Humane Society P.O. Box 1474 Mineral Wells, TX 76067	Helps with Homeless/Abandoned Animals	2,500.
Palo Pinto Meals on Wheels P.O. Box 11 Mineral Wells, TX 76068	Community Service	Exempt 5,000.
Puppies Behind Bars 10 East 40th Street, 19th Floor New York, NY 10016	Helps Wounded Vets with Service Dogs	9,000.

RAFT 1355 Ridder Park Dr San Jose, CA 95131			2,000.
Refugees International 2001 S. Street NW 700 Washington, DC 20009	Exempt		1,250.
Rescue Task Force - Network for Good Net Bethesda 864 North 2nd Street #340 El Cajon, CA 92021			2,500.
SAve Darfur Coalition P.O. Box 170305 Milwaukee, WI 53217			5,000.
Sea Shepherd Conservation Society P.O. Box 2616 Friday Harbor, WA 98250			1,000.
Shepherd's Gate 1660 Partola Avenue Livermore, CA 94551	Safe Haven Homeless, Addiction Center	Exempt	1,000.
Shreveport Bossier Community Renewal P.O. Box 4678 Shreveport, LA 71134	n/a Community Service	Exempt	5,000.
Shriners Hospitals for Children 2900 Rocky Point Drive Tampa, FL 33607	Helps Sick Children	Exempt	2,500.
Small Steps Nuturing Center 1709 DePelchin Street Houston, TX 77007	Helps at risk Children-education and feed	Exempt	1,000.
Smile Train 41 Madison Avenue, 28th Floor New York, NY 10010	Helps Children with Dental Costs	Exempt	2,500.

St. Jude's Children's Research Hospital 501 St. Jude Place Memphis, TN 38105	Helps Sick Children	Exempt	4,500.
Tarrant Area Food Bank 2600 Cullen Street Fort Worth, TX 76107	Helps with Nutricious Meals for People Facing Hunger	Exempt	2,500.
TEAK 16 West 22nd Street 3rd Floor New York, NY 10010			1,250.
The Elephant Sanctuary P.O. Box 393 Hohenwald, TX 38462			2,500.
UNICEF 125 Maiden Lane New York, NY 10038	Helps Sick Children	Exempt	1,500.
United Way of Palo Pinto County P.O. Box 1223 Mineral Wells, TX 76068	n/a Community Service	Exempt	2,500.
Water for People 6666 W. Quincy Ave. Denver, CO 80235	3rd world help for people		2,500.
USA Harvest P.O. Box 1628 Louisville, KY 40201			2,500.
Zonta Club of Mineral Wells P.O. Box 1643 Mineral Wells, TX 76068			200.
Hands on Worldwide 389 River Road Carlisle, MA 01741			5,000.

Carl'E. Kessler Family Foundation

75-2567397

Spirituality for Kids
1054 S Robertson Blvd Los
Angeles, CA 90035

1,250.

Total to Form 990-PF, Part XV, line 3a

224,132.

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☒ **X**

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1)

Part II		Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed)	
Type or print File by the extended due date for filing the return. See instructions	Name of Exempt Organization		Employer identification number
	Carl E. Kessler Family Foundation		75-2567397
	Number, street, and room or suite no. If a P.O. box, see instructions		For IRS use only
	J.A. Garrison & Co., CPAs 500 W. 7th St. #827		
	City, town or post office, state, and ZIP code. For a foreign address, see instructions		
	Fort Worth, TX 76102		

Check type of return to be filed (File a separate application for each return)

- ☐ Form 990 ☐ Form 990-EZ ☐ Form 990-T (sec 401(a) or 408(a) trust) ☐ Form 1041-A ☐ Form 5227 ☐ Form 8870
☐ Form 990-BL ☒ Form 990-PF ☐ Form 990-T (trust other than above) ☐ Form 4720 ☐ Form 6069

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

Carla Kessler

- The books are in the care of **P.O. Box 121579 - Mineral Wells, TX 76121**

Telephone No. **817-793-1951**

FAX No.

- If the organization does not have an office or place of business in the United States, check this box ☐

- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) If this is for the whole group, check this box ☐ If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for

4 I request an additional 3-month extension of time until **November 15, 2010**

5 For calendar year **2009**, or other tax year beginning , and ending

6 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

7 State in detail why you need the extension

Additional time is requested in order to obtain third party documents necessary to prepare an accurate and complete return.

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$	0.
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868	8b	\$	0.
c	Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	8c	\$	0.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete and that I am authorized to prepare this form.

Signature **CPA**

Title

Date **8/16/10**

Form 8868 (Rev 4-2009)