Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2009

For calendar year 2009, or tax year beginning , 2009, 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.

THE KAHN EDUCATION FOUNDATION
5950 BERKSHIRE LANE #1050
DALLAS, TX 75225

A Employer identification number: 75-2667164

B Telephone number (see the instructions): 214-369-6202

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 [X] Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year *(from Part II, column (c), line 16)* ► $ 2,490,480.

J Accounting method [X] 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) (see the instructions).)*

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE	1 Contributions, gifts, grants, etc, received (att sch)				
	2 Ck ► [X] if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	68,231.	68,231.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10	-8,151.			
	b Gross sales price for all assets on line 6a 457,514.				
	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/(loss) (att sch)				
	11 Other income (attach schedule) SEE STATEMENT 1	22,939.	22,939.		
	12 **Total.** Add lines 1 through 11	83,019.	91,170.	0.	
ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc	20,800.	5,200.		15,600.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch) SEE ST 2	5,500.	2,750.		2,750.
	c Other prof fees (attach sch)				
	17 Interest				
	18 Taxes (attach schedule)(see instr) SEE STM 3	2,636.			
	19 Depreciation (attach sch) and depletion	57.	29.		
	20 Occupancy	14,047.	3,512.		10,535.
	21 Travel, conferences, and meetings	895.			895.
	22 Printing and publications				
	23 Other expenses (attach schedule) SEE STATEMENT 4	2,251.	426.		1,825.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	46,186.	11,917.		31,605.
	25 Contributions, gifts, grants paid PART XV	42,500.			42,500.
	26 **Total expenses and disbursements.** Add lines 24 and 25	88,686.	11,917.	0.	74,105.
	27 Subtract line 26 from line 12:				
	a **Excess of revenue over expenses and disbursements**	-5,667.			
	b **Net investment income** (if negative, enter -0-)		79,253.		
	c **Adjusted net income** (if negative, enter -0-)			0.	

RECEIVED
MAY 10 2010
OGDEN, UT
IRS-OSC
009

SCANNED MAY 12 2010

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

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash — non-interest-bearing	40,416.	5,039.	5,039.
	2 Savings and temporary cash investments	163,631.	315,843.	315,843.
	3 Accounts receivable ►			
	Less allowance for doubtful accounts ►			
	4 Pledges receivable ►			
	Less allowance for doubtful accounts ►			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)			
	7 Other notes and loans receivable (attach sch) ►			
	Less allowance for doubtful accounts ►			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	840.	1,890.	1,890.
	10a Investments — U S. and state government obligations (attach schedule)			
	b Investments — corporate stock (attach schedule)	502,965.	545,672.	572,662.
	c Investments — corporate bonds (attach schedule)			
	11 Investments — land, buildings, and equipment basis ►			
	Less accumulated depreciation (attach schedule) ►			
	12 Investments — mortgage loans			
	13 Investments — other (attach schedule)	1,746,185.	1,571,375.	1,579,846.
	14 Land, buildings, and equipment basis ► 2,011.			
	Less accumulated depreciation (attach schedule) SEE STMT 5 ► 1,847.	221.	164.	200.
	15 Other assets (describe ► SEE STATEMENT 6)	3,399.	12,007.	15,000.
	16 Total assets (to be completed by all filers — see instructions. Also, see page 1, item I)	2,457,657.	2,451,990.	2,490,480.
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ►)			
	23 **Total liabilities** (add lines 17 through 22)	0.	0.	
NET ASSETS OR FUND BALANCES	**Foundations that follow SFAS 117, check here ► [X] and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted	2,457,657.	2,451,990.	
	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			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 **Total net assets or fund balances** (see the instructions)	2,457,657.	2,451,990.	
	31 **Total liabilities and net assets/fund balances** (see the instructions)	2,457,657.	2,451,990.	

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	2,457,657.
2	Enter amount from Part I, line 27a	2	-5,667.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	2,451,990.
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	2,451,990.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a	SEE STATEMENT 7			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e				

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

	(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
a				
b				
c				
d				
e				

2	Capital gain net income or (net capital loss) — If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7	2	-8,151.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0- in Part I, line 8	3	0.

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2008	69,595.	1,712,318.	0.040644
2007	83,632.	1,863,884.	0.044870
2006	94,505.	1,842,440.	0.051293
2005	100,276.	1,794,076.	0.055893
2004	86,086.	1,700,138.	0.050635

2	**Total** of line 1, column (d)	2	0.243335
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	0.048667
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	1,675,043.
5	Multiply line 4 by line 3	5	81,519.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	793.
7	Add lines 5 and 6	7	82,312.
8	Enter qualifying distributions from Part XII, line 4	8	74,105.

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

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

1 a Exempt operating foundations described in section 4940(d)(2), check here ► ☐ and enter 'N/A' on line 1. Date of ruling or determination letter: ________ (attach copy of letter if necessary - see instr.)				
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► ☐ and enter 1% of Part I, line 27b			1	1,585.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b)				
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			2	0.
3 Add lines 1 and 2			3	1,585.
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	1,585.
6 Credits/Payments				
a 2009 estimated tax pmts and 2008 overpayment credited to 2009	6a	2,800.		
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	2,800.
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	0.
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ►			10	1,215.
11 Enter the amount of line 10 to be: **Credited to 2010 estimated tax** ►	1,215.	**Refunded** ►	11	0.

Part VII-A Statements Regarding Activities

		Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?	1b		X
If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities			
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation ► $ 0. **(2)** On foundation managers ► $ 0.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► $ 0.			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? *If 'Yes,' attach a detailed description of the activities*	2		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If 'Yes,' attach a conformed copy of the changes*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If 'Yes,' has it filed a tax return on **Form 990-T** for this year?	4b	N/A	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If 'Yes,' attach the statement required by General Instruction T*	5		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7 Did the foundation have at least $5,000 in assets at any time during the year? *If 'Yes,' complete Part II, column (c), and Part XV*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see the instructions) ► TX			
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If 'No,' attach explanation*	8b	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? *If 'Yes,' complete Part XIV*	9		X
10 Did any persons become substantial contributors during the tax year? *If 'Yes,' attach a schedule listing their names and addresses.*	10		X

Part VII-A Statements Regarding Activities *Continued*

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ► N/A

14 The books are in care of ► SALLIE A. SCANLAN Telephone no ► 214-369-4732

Located at ► 5950 BERKSHIRE LANE #1050, DALLAS, TX ZIP + 4 ► 75225

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** – Check here N/A ► ☐

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 the instructions)?		1b		X
	Organizations relying on a current notice regarding disaster assistance check here ► ☐				
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?		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 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 ► 20__ , 20__ , 20__ , 20__				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer 'No' and attach statement – see the instructions.)		2b	N/A	
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ► 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?	☐ 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.)*		3b	N/A	
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 2009?		4b		X

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

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

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

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

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

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

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

b If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)? **5b** N/A

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

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

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d)

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** X (No)

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** N/A

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SALLIE A. SCANLAN 5950 BERKSHIRE LN, STE 1050 DALLAS, TX 75225	TRUSTEE 8.00	8,000.	0.	0.
SUSAN S. CAMERON 5950 BERKSHIRE LANE, STE 1050 DALLAS, TX 75225	TRUSTEE 6.00	8,000.	0.	0.
HEATHER W. WOOD 5950 BERKSHIRE LN, STE 1050 DALLAS, TX 75225	TRUSTEE 2.00	2,400.	0.	0.
COURTENAY S. WOOD 5950 BERKSHIRE LN, STE 1050 DALLAS, TX 75225	TRUSTEE 2.00	2,400.	0.	0.

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

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

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

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

3 Five highest-paid independent contractors for professional services – (see instructions). If none, enter 'NONE.'

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over $50,000 for professional services ►		0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 PROVIDED FUNDS TO VARIOUS ORGANIZATIONS TO ENHANCE THEIR ABILITY TO EDUCATE CHILDREN AND ADULTS. A DESCRIPTION OF THESE GRANTS IS PROVIDED IN SECTION XV OF THIS RETURN.	42,500.
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

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

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

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes			
a Average monthly fair market value of securities		1a	1,540,770.
b Average of monthly cash balances		1b	149,781.
c Fair market value of all other assets (see instructions)		1c	10,000.
d Total (add lines 1a, b, and c)		1d	1,700,551.
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	1,700,551.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)		4	25,508.
5 **Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4		5	1,675,043.
6 **Minimum investment return.** Enter 5% of line 5		6	83,752.

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	83,752.
2a Tax on investment income for 2009 from Part VI, line 5	2a 1,585.		
b Income tax for 2009 (This does not include the tax from Part VI)	2b		
c Add lines 2a and 2b		2c	1,585.
3 Distributable amount before adjustments Subtract line 2c from line 1		3	82,167.
4 Recoveries of amounts treated as qualifying distributions		4	
5 Add lines 3 and 4		5	82,167.
6 Deduction from distributable amount (see instructions)		6	
7 **Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1		7	82,167.

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	74,105.
b Program-related investments — total from Part IX-B	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 **Qualifying distributions** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	74,105.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	
6 **Adjusted qualifying distributions.** Subtract line 5 from line 4	6	74,105.

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

TEEA0308L 07/06/09

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				82,167.
2 Undistributed income, if any, as of the end of 2009:				
a Enter amount for 2008 only			0.	
b Total for prior years: 20___, 20___, 20___		0.		
3 Excess distributions carryover, if any, to 2009:				
a From 2004 11,043.				
b From 2005 12,016.				
c From 2006 5,041.				
d From 2007				
e From 2008				
f Total of lines 3a through e	28,100.			
4 Qualifying distributions for 2009 from Part XII, line 4: ► $ 74,105.				
a Applied to 2008, but not more than line 2a			0.	
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				74,105.
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).)*	8,062.			8,062.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	20,038.			
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 instructions			0.	
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 instructions)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see instructions)	2,981.			
9 **Excess distributions carryover to 2010.** Subtract lines 7 and 8 from line 6a	17,057.			
10 Analysis of line 9				
a Excess from 2005 12,016.				
b Excess from 2006 5,041.				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

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

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

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

Part XV | Supplementary Information (Complete this part only if the organization had $5,000 or more in assets at any time during the year – see instructions.)

1 **Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000) (See section 507(d)(2))

NONE

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

NONE

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

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

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

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE STATEMENT 8				
Total			► **3a**	42,500.
b *Approved for future payment*				
Total			► **3b**	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income (see the instructions)
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					
4 Dividends and interest from securities			14	68,231.	
5 Net rental income or (loss) from real estate.					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income			16	22,313.	
8 Gain or (loss) from sales of assets other than inventory			18	-8,151.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a ROYALTY INCOME (HUGOTON)			15	626.	
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				83,019.	

13 **Total.** Add line 12, columns (b), (d), and (e) 13 83,019.

(See worksheet in the instructions for line 13 to verify calculations)

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

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

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

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

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

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

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

b If 'Yes,' complete the following schedule

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

SIGN HERE

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

► Susan S. Cameron | 5-3-10 | ► TRUSTEE

Signature of officer or trustee | Date | Title

Paid Preparer's Use Only		
Preparer's signature ► Sallie A Scanlan	Date 5-3-2010	Check if self-employed ► ☐ Preparer's identifying number (See Signature in the instrs) P00572582
Firm's name (or yours if self-employed), address, and ZIP code ► SALLIE A. SCANLAN CPA PC		EIN ► 30-0020048
5950 BERKSHIRE LN STE 1050		
DALLAS, TX 75225-5817		Phone no ► (214) 369-4732

STATEMENT 1
FORM 990-PF, PART I, LINE 11
OTHER INCOME

	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
OTHER INVESTMENT INCOME	$ 22,313.	$ 22,939.	
ROYALTY INCOME (HUGOTON)	626.		
TOTAL	$ 22,939.	$ 22,939.	$ 0.

STATEMENT 2
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
SAS CPA	$ 5,500.	$ 2,750.		$ 2,750.
TOTAL	$ 5,500.	$ 2,750.	$ 0.	$ 2,750.

STATEMENT 3
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAXES	$ 2,636.			
TOTAL	$ 2,636.	$ 0.	$ 0.	$ 0.

STATEMENT 4
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
AMORTIZATION		$ 29.		
BANK FEES	$ 100.	50.		$ 50.
COMPUTER PROCESSING FEE	51.	51.		
DUES-ASSOCIATION OF SMALL FDNS	495.			495.
OFFICE EXPENSES	310.	31.		279.
REPAIRS & MAINTENANCE	1,175.	294.		881.
SUBSCRIPTIONS	120.			120.
TOTAL	$ 2,251.	$ 455.	$ 0.	$ 1,825.

STATEMENT 5
FORM 990-PF, PART II, LINE 14
LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE	FAIR MARKET VALUE
FURNITURE AND FIXTURES	$ 397.	$ 233.	$ 164.	$ 200.
MACHINERY AND EQUIPMENT	1,614.	1,614.	0.	0.
TOTAL	$ 2,011.	$ 1,847.	$ 164.	$ 200.

STATEMENT 6
FORM 990-PF, PART II, LINE 15
OTHER ASSETS

	BOOK VALUE	FAIR MARKET VALUE
PARK WESTERN PARTNERSHIP	$ 12,007.	$ 15,000.
TOTAL	$ 12,007.	$ 15,000.

STATEMENT 7
FORM 990-PF, PART IV, LINE 1
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

ITEM	(A) DESCRIPTION	(B) HOW ACQUIRED	(C) DATE ACQUIRED	(D) DATE SOLD
1	1000 ALCOA INC	PURCHASED	6/30/2008	12/04/2009
2	2200 NAPCO SECURITY TECH	PURCHASED	11/30/2006	12/23/2009
3	2000 ORACLE	PURCHASED	12/02/1999	9/18/2009
4	847 SCHERING PLOUGH	PURCHASED	12/02/1999	11/05/2009
5	1135.5 THORNBURG INV GWTH FD	PURCHASED	7/24/2007	12/23/2009
6	1023.2 IVA FID WRLDWIDE C	PURCHASED	10/13/2008	12/23/2009
7	$45,000 AMER WEST BK CD	PURCHASED	2/27/2008	5/06/2009
8	$25,000 BK OF GA CD	PURCHASED	11/30/2006	2/17/2009
9	$200,000 GECC MTN CD	PURCHASED	6/12/2002	3/20/2009
10	$50,000 WESTERN BANK CD	PURCHASED	4/16/2009	4/16/2009
11	$29,000 WESTERN BANK CD	PURCHASED	12/30/2005	3/03/2009
12	BAIRD - CAP GAIN DISTRIBUTION	PURCHASED	VARIOUS	VARIOUS

ITEM	(E) GROSS SALES	(F) DEPREC. ALLOWED	(G) COST BASIS	(H) GAIN (LOSS)	(I) FMV 12/31/69	(J) ADJ. BAS. 12/31/69	(K) EXCESS (I)-(J)	(L) GAIN (LOSS)
1	13,304.		34,724.	-21,420.				$ -21,420.
2	3,812.		14,471.	-10,659.				-10,659.
3	41,548.		26,341.	15,207.				15,207.
4	21,000.		11,062.	9,938.				9,938.
5	15,000.		21,541.	-6,541.				-6,541.
6	15,000.		11,910.	3,090.				3,090.
7	45,000.		43,857.	1,143.				1,143.
8	25,000.		24,482.	518.				518.
9	197,000.		201,360.	-4,360.				-4,360.
10	50,000.		48,150.	1,850.				1,850.
11	29,000.		27,767.	1,233.				1,233.
12	1,850.		0.	1,850.				1,850.
							TOTAL	$ -8,151.

STATEMENT 8
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUNDATION STATUS	PURPOSE OF GRANT	AMOUNT
CHOICE'S LEADERSHIP 18106 MARSH LANE DALLAS, TX 75248	UNRELATED	N/A	FIVE YEAR PLEDGE TO SUPPORT THEIR NEW CHARTER SCHOOL	$ 12,500.
PROVIDENCE HIGH SCHOOL 1215 N. ST MARY'S STREET SAN ANTONIO, TX 78215	UNRELATED	N/A	SUPPORT SCHOLARSHIP PROGRAM	2,000.
EAST DALLAS COMMUNITY SCHOOL 924 WAYNE STREET DALLAS, TX 75223	UNRELATED	N/A	3-YEAR PLEDGE FOR ACADEMIC PROGRAM SUPPORT	12,000.
READING & RADIO RESOURCE CTR 3001 BOOKOUT DALLAS, TX 75201	UNRELATED	N/A	OPERATING FUNDS FOR RECORDING BOOKS	2,000.
TULANE UNIVERSITY 3439 PRYTANIA STREET, #400 NEW ORLEANS, LA 70161	UNRELATED	N/A	ANNUAL FUND CONTRIBUTION	4,000.
WOMEN'S RESEARCH & ED INST. 1750 NEW YORK AVENUE NW WASHINGTON, DC, 20006	UNRELATED	N/A	EDUCATIONAL PROGRAMS FOR WOMEN IN PUBLIC SERVICE	10,000.
			TOTAL	$ 42,500.

SALLIE A SCANLAN &
SUSAN S CAMERON TTEES
KAHN EDUCATION FOUNDATION

Statement Period JANUARY 1 - DECEMBER 31, 2009
Account Number 4600-4302 FT43

BAIRD

ASSET DETAILS

This section shows the cash, cash alternatives and/or securities in your account. It reflects market values as of the close of business, December 31, 2009

Please note, unrealized gain/loss is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor
Performance on funds and unit investment trusts is provided for informational purposes only to assist you in comparing the total current value of your position with your total amount invested, excluding reinvestment activity. Performance may be misstated if any cost information is inaccurate or if you have sold part of your position since your original investment

CASH AND CASH ALTERNATIVES

	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
INSURED DEPOSIT M & I	194,159 44	194,159 44		970.80	0 50%
yield from 12/01/09 - 12/31/09 was 0 50% (Compounded)					
Deposits held at M&I Bank are insured by the FDIC up to $250,000					
Total Cash and Cash Alternatives	**$194,159.44**	**$194,159.44**		**$970.80**	**0.50%**

PORTFOLIO ASSETS

Stocks/Options	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
CHEVRON CORP	CVX	500	76 9900	65 9037	38,495 00	32,951 87	5,543 13	1,360 00	3 53%
COCA-COLA COMPANY	KO	2,000	57.0000	31.6100	114,000 00	63,220 00	50,780 00	3,280 00	2.88%
CONAGRA FOODS INC	CAG	1,000	23.0500	27 5114	23,050 00	27,511 43	-4,461 43	800 00	3 47%
CURRENCYSHARES CANADIAN DOLLAR TRUST CANADIAN DOLLAR SHARES	FXC	1,200	94.8500	81 5542	113,820 00	97,865 05	15,954 95	112.80	0 10%
DUKE ENERGY CORP NEW	DUK	1,600	17 2100	18 6557	27,536 00	29,849 09	-2,313 09	1,536 00	5 58%
FAIRPOINT COMMUNICATIONS INC	FRCMQ	18	0.0330	9 5994	0 59	172 79	-172 20	N/A	N/A
GENERAL ELECTRIC COMPANY	GE	1,000	15.1300	33 5942	15,130.00	33,594 16	-18,464 16	400.00	2 64%
HUGOTON ROYALTY TRUST TX UNIT BEN INT Accumulated Paydown 5,272.32	HGT	1,000	16.0800	22 8823	16,080 00	22,882 25***	-6,802 25	732 70	4 56%
LSI CORP	LSI	5,000	6 0100	23.5000	30,050 00	117,500 00	-87,450 00	N/A	N/A
MERCK & COMPANY INC NEW	MRK	1,153	36 5400	13 0600	42,130 62	15,058 18	27,072 44	1,752 56	4 16%
MICROSOFT CORP	MSFT	2,500	30 4800	10.8700	76,200 00	27,175.00	49,025 00	1,300 00	1 71%
SCHULMAN A INC	SHLM	1,000	20 1800	16 8634	20,180 00	16,863 43	3,316 57	600 00	2 97%
SOUTHWEST AIRLINES COMPANY	LUV	2,000	11 4300	11 9405	22,860 00	23,881 07	-1,021 07	36 00	0 16%

ASSET DETAILS continued

	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
Stocks/Options continued									
VERIZON COMMUNICATIONS INC	VZ	1,000	33 1300	37 1473	33,130.00	37,147 29	-4,017 29	1,900 00	5 73%
Total Stocks/Options					**$572,662.21**	**$545,671.61**	**$26,990.60**	**$13,810.06**	**2.41%**
Stock Funds									
ADAMS EXPRESS COMPANY	ADX	7,400 000	10 1000	12 2309	74,740 00	90,508 34	-15,768 34	1,110 00	1 49%
BLACKROCK STRAT DIVID ACHIEVERS TR	BDT	5,700 000	9 1200	9.8569	51,984 00	56,184 37	-4,200 37	3,705 00	7 13%
THORNBURG INVT TR CORE GRWTH FUND CL C SHS	TCGCX	11,935 377	13 1700	13 4440	157,188 91	160,459 50	-3,270 59	N/A	
REINVESTMENTS		3 897	13 1700	18 4886	51 32	72 05	-20 73	N/A	
TOTAL		11,939 274	13.1700	13.4457	157,240 23	160,531 55	-3,291 32	N/A	N/A
PERFORMANCE -$3,219.27					157,240 23	160,459 50			
Total Stock Funds					**$283,964.23**	**$307,224.26**	**-$23,260.03**	**$4,815.00**	**1.70%**
Balanced Funds									
IVA FIDUCIARY TRUST IVA WORLDWIDE FD CLASS C	45070A503	9,958 657	14 6600	11 5568	145,993 89	115,090 04	30,903 85	169 27	
REINVESTMENTS		279 285	14 6600	14 5769	4,094 33	4,071 12	23 21	4 77	
TOTAL		10,237 942	14 6600	11 6392	150,088 22	119,161 16	30,927 06	174 04	0 12%
PERFORMANCE: $34,998 18					150,088 22	115,090 04			
IVY FUNDS INC ASSET STRATEGY FUND CLASS C	WASCX	5,043 161	21 7800	19 6994	109,840 04	99,347.46	10,492 58	N/A	
REINVESTMENTS		717 150	21 7800	17 5522	15,619 53	12,587 55	3,031 98	N/A	
TOTAL		5,760.311	21 7800	19.4321	125,459 57	111,935 01	13,524 56	N/A	N/A
PERFORMANCE. $26,112.11					125,459 57	99,347 46			
THORNBURG INVESTMENT TRUST INVESTMENT INCOME BUILDER FUND CL C SHS	TIBCX	5,217 950	17 8400	20 5061	93,088 20	107,000 00	-13,911 80	5,150 08	
REINVESTMENTS		604 739	17 8400	16 0446	10,788 57	9,702.81	1,085 76	596 91	
TOTAL		5,822 689	17 8400	20.0428	103,876 77	116,702 81	-12,826 04	5,746 99	5.53%
PERFORMANCE: -$3,123 23					103,876 77	107,000 00			
Total Balanced Funds					**$379,424.56**	**$347,798.98**	**$31,625.58**	**$5,921.03**	**1.56%**

ASSET DETAILS continued

Taxable Bonds	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
STATE BK & TR COMPANY DEFIANCE OH CTF DEP FDIC ACT/365 SEMI CPN 5 300% DUE 06/25/10 DTD 06/25/07 FC 12/25/07	855736CS1	60,000	101 9590 "	100 0000	61,175 40	60,000 00	1,175 40	3,180 00	5.20%
MB FINANCIAL BANK NA CHICAGO IL CTF DEP FDIC ACT/365 SEMI PN 4.250% DUE 07/02/10 TD 07/02/08 FC 01/02/09	55266CGN0	70,000	101 5850 "	100 0000	71,109 50	70,000 00	1,109 50	2,975 00	4 18%
FIRST NATIONAL BANK OLATHE KS CTF DEP FDIC ACT/365 MONTHLY CPN 4.200% DUE 07/22/10 DTD 07/22/08 FC 08/22/08	32106JCB8	50,000	101 7640 "	100.0000	50,882 00	50,000 00	882 00	2,100 00	4.13%
HARLEYSVILLE NB & TR CO HARLEYSVILLE PA CTF DEP FDIC ACT/365 SEMI CPN 4 050% DUE 12/20/10 DTD 06/18/08 FC 12/18/08	412846AV9	50,000	102 5430 "	100 0000	51,271 50	50,000 00	1,271 50	2,025 00	3 95%
BB&T FINANCIAL FSB COLUMBIA GA CTF DEP FDIC ACT/365 SEMI CPN 2.400% DUE 03/18/11 DTD 03/18/09 FC 09/18/09	07330UAN9	50,000	101.0780 "	100 0000	50,539 00	50,000 00	539 00	1,200 00	2.37%
HSBC BANK USA NA RUSSEL 2000 RETURN CD FDIC ACT/365 ZERO CPN 0 000% DUE 03/31/11 TD 03/31/09	40431AVX7	50,000	102.0183 "	100 0000	51,009 15	50,000 00	1,009 15	N/A	N/A
THSIDE COMMUNITY BANK GURNEE IL CTF DEP FDIC ACT/365 MONTHLY CPN 2.200% DUE 06/12/11 DTD 06/12/09 FC 07/12/09	667012HK7	60,000	100.6740 "	100 0000	60,404 40	60,000 00	404 40	1,320 00	2 19%
DISCOVER BANK GREENWOOD DE CTF DEP FDIC ACT/365 SEMI CPN 2 650% DUE 10/17/11 DTD 04/15/09 FC 10/15/09	25469JP94	60,000	101 0460 "	100 0000	60,627 60	60,000 00	627 60	1,590 00	2 62%

ASSET DETAILS continued

Taxable Bonds continued	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
KEYBANK NA CLEVELAND OH CTF DEP FDIC ACT/365 MONTHLY CPN 2.400% DUE 11/07/11 DTD 05/06/09 FC 06/06/09	49306SKJ4	50,000	100.7040 "	100.0000	50,352 00	50,000 00	352.00	1,200 00	2 38%
BOSTON PRIVATE BANK & TR BOSTON MA CTF DEP FDIC ACT/365 SEMI CPN 4.200% DUE 12/19/11 DTD 06/18/08 FC 12/18/08	101120BU6	50,000	103 3380 "	100 0000	51,669.00	50,000 00	1,669 00	2,100 00	4 06%
HSBC BANK USA NA S&P 500 ABSOLUTE RTN CD FDIC ACT/365 ZERO CPN 0 000% DUE 12/30/11 DTD 08/28/09	40431AD58	50,000	100 3440 "	100 0000	50,172.00	50,000 00	172 00	N/A	N/A
GMAC BANK MIDVALE UT CTF DEP FDIC ACT/365 SEMI CPN 2 950% DUE 04/03/12 DTD 04/03/09 FC 10/03/09	36185AL97	95,000	101 1280 "	100 0000	96,071 60	95,000 00	1,071.60	2,802 50	2 92%
CAPMARK BANK MIDVALE UT CTF DEP FDIC ACT/365 SEMI CPN 3 000% DUE 06/25/12 DTD 06/24/09 FC 12/24/09	1406533S3	60,000	100.9470 "	100 0000	60,568 20	60,000 00	568 20	1,800 00	2 97%
BOSTON PRIVATE BANK & TR BOSTON MA CTF DEP FDIC ACT/365 QUARTERLY CPN 4 700% DUE 08/22/12 DTD 08/22/08 FC 11/22/08	101120BY8	30,000	104 0640 "	100 0000	31,219 20	30,000 00	1,219 20	1,410 00	4.52%
BANK SALT LAKE CITY UT CD FDIC ACT/365 SEMI CPN 3.400% DUE 06/10/13 DTD 06/10/09 FC 12/10/09	17284AFP8	60,000	101 1760 "	100 0000	60,705 60	60,000 00	705 60	2,040.00	3 36%
Total Taxable Bonds		**845,000**			**$857,776.15**	**$845,000.00**	**$12,776.15**	**$25,742.50**	**3.00%**

Taxable Bond Funds	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
ABERDEEN ASIA PACIFIC INCOME FUND INC	FAX	2,000 000	6.2165	6 4010	12,433 00	12,801 91	-368 91	840 00	6 76%
MFS INTERMEDIATE INCOME TRUST	MIN	4,000 000	6 7000	6 9796	26,800 00	27,918 38	-1,118 38	2,284 80	8 53%

ASSET DETAILS continued

	Symbol/CUSIP Bond Rating+	Quantity	Current Price	Average Unit Cost	Current Value	Cost	Unrealized Gain/(-)Loss*	Anticipated Annualized Income	Current Yield %
Taxable Bond Funds continued									
SHORT TERM INVS TR	825252703	134 340	1.0000	1 0000	134 34	134 34	0 00	N/A	
TREAS PORTFOLIO RES CL									
REINVESTMENTS		1,378 090	1 0000	1 0000	1,378 09	1,378 09	0 00	N/A	
TOTAL		1,512 430	1 0000	1 0000	1,512 43	1,512 43	0 00	N/A	N/A
PERFORMANCE· $1,378 09					1,512 43	134 34			
VAN KAMPEN SR INCOME TR	VVR	4,250.000	4 2200	6 8517	17,935 00	29,119 59	-11,184 59	1,279 25	7 13%
Total Taxable Bond Funds					**$58,680.43**	**$71,352.31**	**-$12,671.88**	**$4,404.05**	**7.51%**
Total Portfolio Assets					**$2,152,507.58**	**$2,117,047.16**	**$35,460.42**	**$54,692.64**	**2.54%**
Total Assets					**$2,346,667.02**	**$2,311,206.60**	**$35,460.42**	**$55,663.44**	**2.37%**

\+ Bond ratings of securities displayed on your statement were obtained from various rating services There is no guarantee with respect to the accuracy of this information.

* Please note, "Unrealized Gain/(-)Loss" does not equal the total current value minus the total cost if any value or cost amounts are missing

*** The cost on this factorable security, Unit Investment Trust, or Limited Partnership, was adjusted based upon all principal payments on our records and/or provided by you

" This price has been provided by a national pricing service and is derived from a 'market-driven pricing model ' It may be higher or lower than the price you would actually receive in the market.

OTHER INCOME PRODUCING ACTIVITIES
DIVIDENDS/INTEREST FROM SECURITIES.

STIFEL		$ 569.
BAIRD - NON-QUAL DIVIDENDS		18,922.
BAIRD - QUALIFIED DIVIDENDS		12,155.
BAIRD - INTEREST		35,987.
INTEREST - PARK WESTERN		598.
	TOTAL	$ 68,231.

OTHER REVENUE
AMOUNT
ROYALTY INCOME (HUGOTON)

NET ROYALTY		$ 626.
	TOTAL	$ 626.

OPERATING & ADMINISTRATIVE EXP. (990-PF)
OCCUPANCY

RENT		$ 12,665.
TELEPHONE & FAX		1,382.
	TOTAL	$ 14,047.

BALANCE SHEET
CASH-NON-INTEREST-BEARING

COMPASS BANK - CHECKING		$ 5,039.
	TOTAL	$ 5,039.

BALANCE SHEET
SAVINGS AND TEMPORARY CASH INVESTMENTS

BAIRD CASH EQUIVALENTS		$ 194,159.
STIFEL NICOLAUS		121,684.
	TOTAL	$ 315,843.

BALANCE SHEET
OTHER (FORM 990-PF)[O]

CERTIFICATES OF DEPOSIT		$ 845,000.
MUTUAL FUNDS-STOCKS		307,224.
MUTUAL FUNDS-BALANCED		347,799.
MUTUAL FUNDS-BONDS		71,352.
	TOTAL	$ 1,571,375.

BALANCE SHEET
PREPAID EXPENSES AND DEFERRED CHARGES

CALIFORNIA STATE TAXES W/H 2008	$	840.
CALIFORNIA STATE TAXES W/H 2009		1,050.
TOTAL	$	1,890.

FMV OF ASSETS (990-PF)
OTHER [O]

CERTIFICATES OF DEPOSIT	$	857,776.
STOCK FUNDS		283,964.
BALANCED FUNDS		379,425.
BOND FUNDS		58,681.
TOTAL	$	1,579,846.

2009 FEDERAL BOOK DEPRECIATION SCHEDULE

THE KAHN EDUCATION FOUNDATION

75-2667164

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAG /BASIS REDUCT	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
	FORM 990/990-PF															
	FURNITURE AND FIXTURES															
2	CONFERENCE TABLE	12/09/05		397							397	176	S/L	7		57
	TOTAL FURNITURE AND FIXTURE			397		0	0	0	0	0	397	176				57
	MACHINERY AND EQUIPMENT															
1	COMPUTER	1/30/03		1,614							1,614	1,614	S/L	5		0
	TOTAL MACHINERY AND EQUIPME			1,614		0	0	0	0	0	1,614	1,614				0
	TOTAL DEPRECIATION			2,011		0	0	0	0	0	2,011	1,790				57
	GRAND TOTAL DEPRECIATION			2,011		0	0	0	0	0	2,011	1,790				57