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 , and ending

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

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

Name of foundation: THE KARAKIN FOUNDATION

Number and street (or P O box number if mail is not delivered to street address): P.O. BOX 2079 Room/suite:

City or town, state, and ZIP code: ABILENE, TX 79604

A Employer identification number: 75-2692023

B Telephone number: (325)677-6251

C If exemption application is pending, check here ▶☐

D 1. Foreign organizations, check here ▶☐

2. Foreign organizations meeting the 85% test, check here and attach computation ▶☐

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

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

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶$ 43,462,300.

J Accounting method: [X] Cash ☐ Accrual ☐ Other (specify) (Part I, column (d) must be on cash basis.)

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

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received	2,494,877.		N/A	
	2 Check ▶☐ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	697.	697.		STATEMENT 1
	4 Dividends and interest from securities	429,609.	429,609.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	<232,891.>			
	b Gross sales price for all assets on line 6a 3,925,521.				
	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 62,203.				STATEMENT 3
	b Less Cost of goods sold 60,185.				STATEMENT 4
	c Gross profit or (loss)	2,018.			
	11 Other income	1,351,194.	1,357,361.		STATEMENT 5
	12 **Total.** Add lines 1 through 11	4,045,504.	1,787,667.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees STMT 6	12,450.	0.		0.
	b Accounting fees STMT 7	81,956.	15,587.		0.
	c Other professional fees				
	17 Interest				
	18 Taxes STMT 8	88,638.	85,958.		0.
	19 Depreciation and depletion	328,892.	232,906.		
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 9	155,962.	155,962.		0.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	667,898.	490,413.		0.
	25 Contributions, gifts, grants paid	240,000.			240,000.
	26 **Total expenses and disbursements.** Add lines 24 and 25	907,898.	490,413.		240,000.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	3,137,606.			
	b **Net investment income** (if negative, enter -0-)		1,297,254.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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923501 02-02-10 LHA For Privacy Act and Paperwork Reduction Act Notice, see the instructions. Form **990-PF** (2009)

8 P

11061104 759165 349020 2009.04010 THE KARAKIN FOUNDATION 349020_1

Part II **Balance Sheets** Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	508,216.	472,590.	472,590.
	2 Savings and temporary cash investments	1,367,086.	3,774,954.	3,774,954.
	3 Accounts receivable ▶ 62.			
	Less: allowance for doubtful accounts ▶	15.	62.	62.
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 12	14,793,001.	14,908,725.	26,958,934.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 13	3,383,777.	4,048,275.	8,683,218.
	14 Land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶ STATEMENT 14)	905,172.	636,928.	3,572,542.
	16 **Total assets** (to be completed by all filers)	20,957,267.	23,841,534.	43,462,300.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here** ▶ ☐ **and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒ **and complete lines 27 through 31.**			
	27 Capital stock, trust principal, or current funds	20,957,267.	23,841,534.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	0.	0.	
	30 **Total net assets or fund balances**	20,957,267.	23,841,534.	
	31 **Total liabilities and net assets/fund balances**	20,957,267.	23,841,534.	

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	20,957,267.
2	Enter amount from Part I, line 27a	2	3,137,606.
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 10	3	137,766.
4	Add lines 1, 2, and 3	4	24,232,639.
5	Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 11	5	391,105.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	23,841,534.

Part IV Capital Gains and Losses for Tax on Investment Income

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

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e	3,925,521.		4,158,412.	<232,891.>

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

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				
b				
c				
d				
e				<232,891.>

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** <232,891.>

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	69,500.	18,588,634.	.003739
2007	87,027.	1,674,847.	.051961
2006	8,200.	1,384,517.	.005923
2005	60,905.	1,274,743.	.047778
2004	50,633.	1,190,191.	.042542

2	Total of line 1, column (d)	2	.151943
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	.030389
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	36,800,479.
5	Multiply line 4 by line 3	5	1,118,330.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	12,973.
7	Add lines 5 and 6	7	1,131,303.
8	Enter qualifying distributions from Part XII, line 4	8	240,000.

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling 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	25,945.
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	25,945.
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	25,945.
6	Credits/Payments:				
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	14,245.		
b	Exempt foreign organizations - tax withheld at source	6b			
c	Tax paid with application for extension of time to file (Form 8868)	6c	40,000.		
d	Backup withholding erroneously withheld	6d			
7	Total credits and payments. Add lines 6a through 6d			7	54,245.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached			8	303.
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	27,997.
11	Enter the amount of line 10 to be: **Credited to 2010 estimated tax** ▶ 27,997. **Refunded** ▶			11	0.

Part VII-A Statements Regarding Activities

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

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Part VII-A Statements Regarding Activities *(continued)*

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

Website address ▶ N/A

14 The books are in care of ▶ JOSEPH B. MATTHEWS Telephone no. ▶ (325) 677-6251
Located at ▶ 993 NORTH 3RD STREET, ABILENE, TX ZIP+4 ▶ 79601

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 N/A

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies. | Yes | No

1a During the year did the foundation (either directly or indirectly):

(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No

(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No

(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No

(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No

(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No

(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No

b If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? N/A | 1b | |

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

c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 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 ▶ ____, ____, ____, ____

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.)* | 3b | | X

4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? | 4a | | X

b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 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)? ☐ 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 — No: X

If "Yes" to 6b, file Form 8870.

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

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? N/A — 7b

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
JOSEPH B. MATTHEWS P. O. BOX 2079 ABILENE, TX 79604	DIRECTOR, PRESIDENT 0.50	0.	0.	0.
LEROY BOLT 993 NORTH 3RD STREET ABILENE, TX 79601	DIRECTOR, V.P./TREASURER 0.50	0.	0.	0.
DAVID L. BUHRMANN 400 PINE STREET, SUITE 800 ABILENE, TX 79601	DIRECTOR, SECRETARY 0.50	0.	0.	0.
SHERRY A. WILSON 993 NORTH 3RD STREET ABILENE, TX 79601	ASST SECRETARY/ASST TREASURER 0.50	0.	0.	0.

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

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

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

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
CONDLEY & COMPANY LLP 993 NORTH 3RD STREET, ABILENE, TX 79604	ACCOUNTING SERVICES	81,956.

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	22,469,357.
b	Average of monthly cash balances	1b	1,312,721.
c	Fair market value of all other assets	1c	13,578,814.
d	**Total** (add lines 1a, b, and c)	1d	37,360,892.
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	37,360,892.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	560,413.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	36,800,479.
6	**Minimum investment return.** Enter 5% of line 5	6	1,840,024.

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	1,840,024.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	25,945.		
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	25,945.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	1,814,079.
4	Recoveries of amounts treated as qualifying distributions			4	0.
5	Add lines 3 and 4			5	1,814,079.
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	1,814,079.

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	240,000.
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	240,000.
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	240,000.

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				1,814,079.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			0.	
b Total for prior years: ____ , ____ , ____		0.		
3 Excess distributions carryover, if any, to 2009:				
a From 2004				
b From 2005 614,789.				
c From 2006 1,000,625.				
d From 2007 158,979.				
e From 2008				
f **Total** of lines 3a through e	1,774,393.			
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ $ 240,000.				
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				240,000.
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).)	1,574,079.			1,574,079.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	200,314.			
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				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2010.** Subtract lines 7 and 8 from line 6a	200,314.			
10 Analysis of line 9:				
a Excess from 2005				
b Excess from 2006 41,335.				
c Excess from 2007 158,979.				
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
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon: a "Assets" alternative test - enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 **Information Regarding Foundation Managers:**

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

JOSEPH B. MATTHEWS

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

NONE

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

Check here ▶ [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				
THE LAWRENCEVILLE SCHOOL P.O. BOX 6125 LAWRENCEVILLE, NJ 08648	N/A	501(C)(3)	EDUCATION/LAWRENCEVILL FUND FOR DAY-TO-DAY ACTIVITIES OF SCHOOL	10,000.
HENDRIX COLLEGE 1600 WASHINGTON AVE CONWAY, AR 72032	N/A	501(C)(3)	EDUCATION/HENDRIX RWANDA INTIATIVE SCHOLARSHIPS	15,000.
THE LAWRENCEVILLE SCHOOL P.O. BOX 6125 LAWRENCEVILLE, NJ 08648	N/A	501(C)(3)	EDUCATION/FACULTY SUPPORT-WILLIAM CROOKS DISTINGUISHED FACULTY CHAIR	200,000.
FOUNDATION FOR THE PEOPLE OF BURMA P.O. BOX 813 NICASIO, CA 94946	N/A	501(C)(3)	EDUCATION/BURMESE MIGRANTS EDUCATION PROJECT	5,000.
THE SMILE TRAIN 41 MADISON AVENUE NEW YORK, NY 10010	N/A	501(C)(3)	MEDICAL/OPERATIONAL SUPPORT	10,000.
Total			▶ 3a	240,000.
b Approved for future payment				
THE LAWRENCEVILLE SCHOOL P.O. BOX 6125 LAWRENCEVILLE, NJ 08648	N/A	501(C)(3)	EDUCATION/FACULTY SUPPORT & BICENTENNIAL SUPPORT	800,000.
Total			▶ 3b	800,000.

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
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	697.	
4 Dividends and interest from securities			14	429,609.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income	211110	<6,167.>	15	1,357,361.	
8 Gain or (loss) from sales of assets other than inventory			18	<232,891.>	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory	211110	2,018.			
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		<4,149.>		1,554,776.	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 1,550,627.

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

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

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

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

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

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

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

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

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
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

Signature of officer or trustee: Joe K. Mathis — Date: 11/8/10 — Title: President

Paid Preparer's Use Only

Preparer's signature	Date 11-5-10	Check if self-employed ☐	Preparer's identifying number
Firm's name (or yours if self-employed), address, and ZIP code	CONDLEY AND COMPANY, L.L.P. P. O. BOX 2993 ABILENE, TEXAS 79604-2993	EIN	Phone no. (325) 677-6251

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

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No 1545-0047

2009

Name of the organization

THE KARAKIN FOUNDATION

Employer identification number

75-2692023

Organization type (check one)

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

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

General Rule

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

Special Rules

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

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

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

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

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

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	DODGE JONES FOUNDATION P.O. BOX 176 ABILENE, TX 79604	$ 210,000.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution)
2	DODGE JONES FOUNDATION P.O. BOX 176 ABILENE, TX 79604	$ 216,017.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution)
3	DODGE JONES FOUNDATION P.O. BOX 176 ABILENE, TX 79604	$ 2,068,860.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

Name of organization: THE KARAKIN FOUNDATION

Employer identification number: 75-2692023

Part II **Noncash Property** (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	FIRST BANKSHARES OF TEXAS - 35,000 SHS	$ 210,000.	09/30/09
2	PETROHAWK ENERGY CORP (RESTRICTED) - 10,704 SHS	$ 216,017.	01/28/09
		$	
		$	
		$	
		$	

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	APOLLO GROUP INC/557 SHS	D	07/01/08	01/21/09
b	APOLLO GROUP INC/5,028 SHS	D	07/01/08	02/27/09
c	ARCH COAL INC/1,796 SHS	D	07/01/08	08/14/09
d	BOEING CO/27 SHS	D	07/01/08	03/20/09
e	BOEING CO/145 SHS	D	07/01/08	03/23/09
f	BOEING CO/1,510 SHS	D	07/01/08	07/17/09
g	COLGATE PALMOLIVE/500 SHS	D	07/01/08	06/04/09
h	CONOCO PHILLIPS/800 SHS	D	07/01/08	06/04/09
i	CORE LABS/208 SHS	D	07/01/08	03/23/09
j	CORE LABS/151 SHS	D	07/01/08	09/18/09
k	COSTCO WHOLESALE CORP/8,361	D	07/01/08	08/06/09
l	COSTCO WHOLESALE CORP/6,889 SHS	P	10/28/28	08/06/09
m	DENTSPLY INTL INC/12,000 SHS	D	07/01/08	10/30/09
n	DENTSPLY INTL INC/4,570 SHS	P	10/28/08	10/30/09
o	EXPEDITORS INTL WASH/12,221 SHS	D	07/01/08	03/11/09

	(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	46,855.		27,225.	19,630.
b	364,182.		245,710.	118,472.
c	31,032.		62,363.	<31,331.>
d	923.		1,803.	<880.>
e	5,024.		9,684.	<4,660.>
f	60,952.		100,864.	<39,912.>
g	35,225.		33,835.	1,390.
h	36,478.		22,443.	14,035.
i	15,251.		19,881.	<4,630.>
j	15,225.		14,433.	792.
k	336,204.		502,768.	<166,564.>
l	71,838.		78,749.	<6,911.>
m	395,708.		199,584.	196,124.
n	150,699.		116,153.	34,546.
o	304,040.		59,883.	244,157.

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a				19,630.
b				118,472.
c				<31,331.>
d				<880.>
e				<4,660.>
f				<39,912.>
g				1,390.
h				14,035.
i				<4,630.>
j				792.
k				<166,564.>
l				<6,911.>
m				196,124.
n				34,546.
o				244,157.

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter "-0-" in Part I, line 7 } 2

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

THE KARAKIN FOUNDATION

CONTINUATION FOR 990-PF, PART IV
75-2692023

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	GENERAL ELECTRIC/2,000 SHS	D	07/01/08	07/22/09
b	HARMON INTL INDS/1,200 SHS	D	07/01/08	02/10/09
c	INTEL CORP/101 SHS	D	07/01/08	03/20/09
d	INTEL CORP/489 SHS	D	07/01/08	03/23/09
e	ISHARES MSCI EMER MKT INDEX/733 UNITS	D	VARIOUS	10/09/09
f	ISHARES MSCI EMER MKT INDEX/13 UNITS	D	VARIOUS	10/22/09
g	ISHARES MSCI EMER MKT INDEX/25 UNITS	D	VARIOUS	11/23/09
h	LIBERTY GLOBAL/13,862 SHS	D	07/01/08	04/16/09
i	LIBERTY GLOBAL/22,067 SHS	P	10/28/08	04/16/09
j	NASDAQ STK MKT/17,692 SHS	D	07/01/08	05/29/09
k	OCCIDENTAL PETRO/32 SHS	D	07/01/08	03/20/09
l	OCCIDENTAL PETRO/75 SHS	D	07/01/08	03/23/09
m	PERDIGAO SA/533 SHS	D	07/01/08	02/06/09
n	QUALCOMM INC/71 SHS	D	07/01/08	03/23/09
o	ROCKWELL COLLINS/2,520 SHS	P	10/28/08	11/06/09

	(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	22,641.		61,831.	<39,190.>
b	16,041.		12,383.	3,658.
c	1,491.		2,660.	<1,169.>
d	7,467.		12,880.	<5,413.>
e	28,990.		20,282.	8,708.
f	539.		360.	179.
g	1,038.		692.	346.
h	255,769.		537,153.	<281,384.>
i	407,159.		271,410.	135,749.
j	313,410.		569,501.	<256,091.>
k	1,766.		1,548.	218.
l	4,308.		3,629.	679.
m	13,742.		27,110.	<13,368.>
n	2,726.		3,416.	<690.>
o	129,125.		56,524.	72,601.

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a				<39,190.>
b				3,658.
c				<1,169.>
d				<5,413.>
e				8,708.
f				179.
g				346.
h				<281,384.>
i				135,749.
j				<256,091.>
k				218.
l				679.
m				<13,368.>
n				<690.>
o				72,601.

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter "-0-" in Part I, line 7 }	2	
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8	3	

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	SUNCOR ENERGY/9,017 SHS	P	03/03/09	03/31/09
b	TRANSOCEAN LTD US/600 SHS	P	06/24/09	07/28/09
c	TRANSOCEAN INC/33 SHS	D	07/01/08	03/20/09
d	VALERO ENERGY CORP/3,212 SHS	D	07/01/08	09/09/09
e	WALT DISNEY/15,992 SHS	D	07/01/08	08/18/09
f	WALT DISNEY/4,307 SHS	P	10/28/08	08/18/09
g	VANGUARD METAL MINING FUND/1989.385 UNITS	D	07/01/08	05/01/09
h	ISHARES MSCI EMER MKT INDEX/CAP GAIN DISTR	D	VARIOUS	VARIOUS
i	T ROWE PRICE INTL LAT FD/CAP GAIN DISTR	D	VARIOUS	VARIOUS
j				
k				
l				
m				
n				
o				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	201,846.		174,903.	26,943.
b	48,170.		44,133.	4,037.
c	1,897.		2,681.	<784.>
d	58,039.		199,391.	<141,352.>
e	402,734.		508,181.	<105,447.>
f	108,465.		93,938.	14,527.
g	26,399.		58,428.	<32,029.>
h	1,961.			1,961.
i	162.			162.
j				
k				
l				
m				
n				
o				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a				26,943.
b				4,037.
c				<784.>
d				<141,352.>
e				<105,447.>
f				14,527.
g				<32,029.>
h				1,961.
i				162.
j				
k				
l				
m				
n				
o				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter "-0-" in Part I, line 7 }	2	<232,891.>
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

923591
04-24-09

FORM 990-PF	INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS	STATEMENT 1

SOURCE	AMOUNT
INTEREST	697.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	697.

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DIVIDENDS	429,609.	0.	429,609.
TOTAL TO FM 990-PF, PART I, LN 4	429,609.	0.	429,609.

FORM 990-PF	INCOME AND COST OF GOODS SOLD INCLUDED ON PART I, LINE 10	STATEMENT 3

INCOME

1. GROSS RECEIPTS	62,203	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		62,203
4. COST OF GOODS SOLD (LINE 15)	60,185	
5. GROSS PROFIT (LINE 3 LESS LINE 4)		2,018
6. OTHER INCOME		
7. GROSS INCOME (ADD LINES 5 AND 6)		2,018

COST OF GOODS SOLD

8. INVENTORY AT BEGINNING OF YEAR		
9. MERCHANDISE PURCHASED		
10. COST OF LABOR		
11. MATERIALS AND SUPPLIES		
12. OTHER COSTS	60,185	
13. ADD LINES 8 THROUGH 12		60,185
14. INVENTORY AT END OF YEAR		
15. COST OF GOODS SOLD (LINE 13 LESS LINE 14)		60,185

FORM 990-PF COST OF GOODS SOLD - OTHER COSTS STATEMENT 4

DESCRIPTION	AMOUNT
PRODUCTION TAX	2,940.
LEASE OPERATING EXPENSE	57,245.
TOTAL OTHER COSTS	60,185.

FORM 990-PF OTHER INCOME STATEMENT 5

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
OIL & GAS ROYALTIES	715,474.	715,474.	
PARTNERSHIP INCOME	641,260.	641,260.	
PARTNERSHIP INCOME-UBI PORTION	<6,167.>	0.	
LEASE BONUS	399.	399.	
OTHER INCOME	228.	228.	
TOTAL TO FORM 990-PF, PART I, LINE 11	1,351,194.	1,357,361.	

FORM 990-PF LEGAL FEES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL	12,450.	0.		0.
TO FM 990-PF, PG 1, LN 16A	12,450.	0.		0.

FORM 990-PF ACCOUNTING FEES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	81,956.	15,587.		0.
TO FORM 990-PF, PG 1, LN 16B	81,956.	15,587.		0.

FORM 990-PF TAXES STATEMENT 8

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PRODUCTION TAXES - RI	30,638.	30,638.		0.
AD VALOREM TAXES	51,887.	51,887.		0.
STATE WITHHOLDING ON ROYALTIES	418.	418.		0.
OKLAHOMA STATE INCOME TAX	2,680.	0.		0.
FOREIGN TAX	3,015.	3,015.		0.
TO FORM 990-PF, PG 1, LN 18	88,638.	85,958.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 9

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BANK CHARGES	296.	296.		0.
FILING FEES	750.	750.		0.
INSURANCE	1,886.	1,886.		0.
INVESTMENT EXPENSE	2,661.	2,661.		0.
MEMBERSHIP FEES	495.	495.		0.
INVESTMENT MGMT FEES	143,012.	143,012.		0.
MISCELLANEOUS	6,862.	6,862.		0.
TO FORM 990-PF, PG 1, LN 23	155,962.	155,962.		0.

FORM 990-PF OTHER INCREASES IN NET ASSETS OR FUND BALANCES STATEMENT 10

DESCRIPTION	AMOUNT
NONDEDUCTIBLE EXPENSES	133.
PERCENTAGE DEPLETION	109,666.
AT-RISK ADJUSTMENT/FREESTONE SAWMILL PTRS & ONEOK PTRS	15,228.
P/Y ADJUSTMENT TO PARTNERSHIP BASIS	7,301.
MDJ DEPLETION IN EXCESS OF BASIS	5,438.
TOTAL TO FORM 990-PF, PART III, LINE 3	137,766.

FORM 990-PF OTHER DECREASES IN NET ASSETS OR FUND BALANCES STATEMENT 11

DESCRIPTION	AMOUNT
FMV > COST BASIS OF CONTRIBUTIONS RECEIVED	358,539.
P/Y EXCISE & INCOME TAX ADJUSTMENTS	32,566.
TOTAL TO FORM 990-PF, PART III, LINE 5	391,105.

FORM 990-PF CORPORATE STOCK STATEMENT 12

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SEE ATTACHMENT-STOCKS & MUTUAL FUNDS	14,908,725.	26,958,934.
TOTAL TO FORM 990-PF, PART II, LINE 10B	14,908,725.	26,958,934.

FORM 990-PF OTHER INVESTMENTS STATEMENT 13

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
SEE ATTACHMENT-PARTNERSHIP INTERESTS	FMV	4,048,275.	8,683,218.
TOTAL TO FORM 990-PF, PART II, LINE 13		4,048,275.	8,683,218.

FORM 990-PF OTHER ASSETS STATEMENT 14

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
FORM 990T OVERPAYMENT	0.	189.	189.
FIT ESTIMATES	0.	14,245.	14,245.
DODGCO, INC.	3.	3.	3.
MINERAL INTERESTS LESS ACCUM DEPL	511,272.	449,814.	3,385,428.
CASH VALUE OF LIFE INSURANCE	130,225.	151,196.	151,196.
DUE TO/FROM DODGE JONES	263,672.	21,481.	21,481.
TO FORM 990-PF, PART II, LINE 15	905,172.	636,928.	3,572,542.

KARAKIN FOUNDATION | **FORM 990PF**
ATTACHMENT - STOCKS & MUTUAL FUNDS, PART II, LINE 10B | **EIN 75-2692023**
12/31/09

Shares or Face Value	Description	Cost	Market Value 12/31/09
CORPORATE STOCKS			
1,000	Abbot laboratories	$ 46,229	$ 53,990
14,456	Accenture Ltd Cl A	526,271	599,924
6,477	Affiliated Managers Group	451,768	436,226
8,781	Aflac Inc.	312,367	406,121
1,849	Allegheny Technologies	40,742	82,780
45,272	Amen Properties, common	158,402	202,944
2,477	American Campus Communities	74,509	69,604
920	Apache Corp.	29,528	94,916
13,650	Automatic Data Processing	618,395	584,493
1,835	Bank of America Corp	31,746	27,635
212	Berkshire Hathaway Inc. B	729,763	696,632
763	BHP Billiton, Ltd.	38,693	58,431
1,600	Brinks Co.	18,328	38,944
1,600	Brinks Co. Home Sec. Holdings	14,884	52,224
5,927	CH Robinson Worldwide, Inc.	120,158	348,093
920	Charles River Labs	44,468	30,995
2,937	Cisco Systems, Inc.	82,767	70,312
7,637	Citigroup Inc.	33,679	25,278
7,146	Colgate Palmolive	515,463	587,044
56,512	Concho Resources, Inc.	452,090	2,537,344
923	Conoco Phillips	30,058	47,138
1,400	Cooper Companies, Inc.	35,515	53,368
955	Core Labs	91,277	112,805
2,600	Constellation Brands Inc,	33,880	41,418
1,400	Covidien Ltd.	34,547	67,046
2,000	CVS Corp.	55,209	64,420
736	Devon Energy Corp.	55,983	54,096
1,400	Dover Corp.	53,558	58,254
12,254	Ecolab, Inc	426,704	546,283
3,400	El Paso Corp.	58,719	33,422
43,411	EMC Corp	525,693	758,390
7,825	Expeditors International	38,383	272,075
1,440	Exterran Holdings, Inc.	49,984	30,888
1,000	Exxon Mobil Corp	41,525	68,190
13,267	Fastenal Co.	460,530	552,438
94,666	First Financial Bancshares, Inc.	606,173	5,133,737
35,000	First Bankshares of Texas	70,000	210,000
770	Flowserve Corp.	40,282	72,788
500	Fluor Corp.	22,327	22,520
7,147	Forest Oil Corp.	339,911	159,021
2,400	Freeport-McMoran Cooper	49,816	192,696
1,000	General Mills, Inc.	58,404	70,810
455	Glaxo Smithkline PLC	9,987	19,224

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

FORM 990PF
EIN 75-2692023
12/31/09

Shares or Face Value	Description	Cost	Market Value 12/31/09
328	Goldman Sachs Croup	48,885	55,379
1,500	Goodrich Corp.	60,788	96,375
2,000	Ingersoll Rand	40,447	71,480
6,220	Intel Corp.	145,260	126,888
6,668	ITT Educational Services Inc.	704,554	639,861
1,300	Johnson & Johnson	66,136	83,733
1,300	Kellogg Corp.	69,488	69,160
1,400	Kraft Foods Inc, Cl A	40,364	38,052
900	L3 Communications Holdings	71,019	78,255
66,888	Main Street Capital	687,582	1,078,238
2,949	Mastercard Inc.	472,412	754,885
1,966	McDermott International Inc.	43,820	47,204
1,100	McKesson, Corp.	30,522	68,750
1,120	Medtronic, Inc.	56,803	49,258
621	Mosaic Co.	25,753	37,092
515	Monsanto Co.	43,194	42,101
1,023	NASDAQ Stock Market, Inc.	32,520	20,276
800	National Oilwell Varco	42,473	35,272
1,400	Newfield Exploration Co.	62,476	67,522
1,100	Noble Energy Inc.	41,851	78,342
1,000	Novartis Ag Spon ADR	58,543	54,430
988	Nucor Corp	43,473	46,090
989	Occidental Petroleum, Corp.	47,854	80,455
1,600	Omnicare, Inc.	41,319	38,688
450	Parker-Hannifin Corp.	22,526	24,246
740	Partnerre Ltd.	36,881	55,248
1,065	Petroleo Brasileiro SA Petro	32,303	50,779
1,900	Pepsico, Inc.	98,361	115,520
42,232	Petrohawk Energy Corp	196,811	1,013,146
10,704	Petrohawk Energy Corp-restricted	25,904	256,789
1,200	Pfizer, Inc.	9,638	21,828
1,400	Plains Exploration and Production Co.	31,887	38,724
2,720	Praxair	89,231	218,443
1,100	Proctor and Gamble, Co.	64,432	66,693
14,397	Qualcomm Inc.	530,456	666,005
1,880	Quicksilver Resources	43,871	28,219
9,470	Receptor Logic, Inc.	40,560	66,032
3,900	Republic Services	40,833	110,409
11,209	Rockwell Collins, Inc.	302,168	620,530
500	San Juan Basin Royalty Trust	16,575	8,620
20,278	Scripps Networks Interactive, Inc.	445,613	841,537
1,800	Sigma Aldrich Corp.	66,600	90,990
22,361	Suncor Energy Inc.	452,850	789,567
15,263	Teradata Corp	401,728	479,716
1,800	Tetra Technologies, Corp.	39,336	19,944

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

FORM 990PF
EIN 75-2692023
12/31/09

Shares or Face Value	Description	Cost	Market Value 12/31/09
1,800	Thermo Fisher Scientific, Inc.	44,362	85,842
460	Toyota Motor Corp.	48,939	38,714
945	Transocean, Inc.	76,784	78,246
2,000	Tyco Electronics, LTD	53,414	49,100
1,500	Tyco Intl., LTD	38,473	53,520
800	United Parcel Service	58,596	45,896
974	United States Steel Corp.	75,037	53,687
880	United Technologies, Corp.	55,270	61,080
9,318	Visa Inc	450,531	814,952
1,800	Waste Management, Inc.	60,050	60,858
2,000	Wesco Intl, Inc.	51,503	54,020
3,222	XTO Energy	30,275	149,920
		14,538,046	26,531,563
MUTUAL FUNDS			
5,227	Ishares MSCI Emerging Markets	144,650	216,904
2,239	Oppenheimer Developing Markets CL A	94,026	64,386
2,319	T. Rowe Price Latin America Fund	83,125	112,066
1,664	Vanguard Precious Metal Mining	48,878	34,015
		370,679	427,371
TOTAL INVESTMENTS - STOCK & MUTUAL FUNDS		14,908,725	26,958,934

KARAKIN FOUNDATION — ***EIN # 75-2692023***

ATTACHMENT - PARTNERSHIP INTERESTS — ***2009***

PART II, LINE 13

	Tax Basis 12/31/2009	Fair Market Value 12/31/2009
Auxano Biomedical LLC	2,404	100,000
BI CBM Opportunity, LP	788,990	793,123
BI Rail LLC	38,070	38,237
Buchanan Investments Alterenergy LLC	173,321	173,320
Carson Private Cap. Euro Fund	4,899	4,899
Carson Private Cap. Euro Fund II	75,185	77,920
Central Park 91	21,333	86,722
Cordillera Energy Partners II, LLC	67,975	2,107
Cordillera Energy Partners III, LLC	166,946	180,910
CPC/HMTF Fund V (Carson Private Cap Fund V)	19,254	20,925
Eagle Oil & Gas Partners LLC	109,516	308,148
Encap Energy Capital Fund VI-B, LP	684,969	742,325
Encap Energy Capital Fund VII-B, LP	361,304	319,601
Freestone Beverage Partners LP	10,569	23,020
Freestone Metals Partners LP	56,935	48,400
Freestone Partners II, LP	5,364	19,000
Freestone Sawmill Partners, LP	(118,135)	0
HOG Partnership	28,326	729,000
Humana West Ltd.	76,280	110,847
JOG Limited Partnership No. III	190,044	160,551
Maecenas Minerals LLP	194,461	899,094
Magellan Midstream Partners LP	12,562	60,662
Main Street Capital II, LP	164,467	544,793
MDJ Minerals	66,881	1,491,822
N3 Opportunity Fund I LP	43,960	36,150
Oneok Partners LP	(3,998)	37,380
SFF Production, LLC	63,798	207,495
SFF Royalty, LLC	168,744	681,542
Talon Oil & Gas LLC	568,999	625,225
Westech Ventures I, LP	4,852	160,000
Totals	4,048,275	8,683,218