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

OMB No 1545-0052

2009

Department of the Treasury
Internal Revenue Service

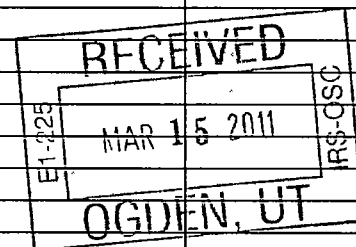
Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 2009, or tax year beginning NOV 1, 2009, and ending OCT 31, 2010

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 Effie and Wofford Cain Foundation		A Employer identification number 75-6030774
	Number and street (or P O box number if mail is not delivered to street address)	Room/suite	B Telephone number 512-346-7490
	City or town, state, and ZIP code Austin, TX 78759		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: ☒ 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) \$ 107872415.		J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____	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	889.		N/A	
	2 Check ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	8333.	8333.		
	4 Dividends and interest from securities	1996238.	2131997.		
	5a Gross rents	52916.	52916.		
	b Net rental income or (loss)	41004.			
	6a Net gain or (loss) from sale of assets not on line 10	4285798.			
	b Gross sales price for all assets on line 6a	32452032.			
	7 Capital gain net income (from Part IV, line 2)		3588671.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income	261605.	261605.			
12 Total. Add lines 1 through 11	6605779.	6043522.			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	391800.	24543.		367257.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits	41935.	2149.		39785.
	16a Legal fees	24422.	3380.		21042.
	b Accounting fees				
	c Other professional fees	265275.	258633.		6642.
	17 Interest				
	18 Taxes	94033.	41801.		16222.
	19 Depreciation and depletion	7612.	413.		
	20 Occupancy	28886.	1618.		27268.
	21 Travel, conferences, and meetings	86312.	16606.		67871.
	22 Printing and publications	3506.	1042.		2464.
	23 Other expenses	22643.	48716.		20708.
	24 Total operating and administrative expenses. Add lines 13 through 23	966424.	398901.		569259.
	25 Contributions, gifts, grants paid	4762800.			4762800.
26 Total expenses and disbursements. Add lines 24 and 25	5729224.	398901.		5332059.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	876555.				
b Net investment income (if negative, enter -0-)		5644621.			
c Adjusted net income (if negative, enter -0-)			N/A		



Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing					
	2 Savings and temporary cash investments			9716664.	6493486.	6493486.
	3 Accounts receivable ▶					
	Less: allowance for doubtful accounts ▶					
	4 Pledges receivable ▶					
	Less: allowance for doubtful accounts ▶					
	5 Grants receivable					
	6 Receivables due from officers, directors, trustees, and other disqualified persons					
	7 Other notes and loans receivable ▶					
	Less: allowance for doubtful accounts ▶					
	8 Inventories for sale or use					
	9 Prepaid expenses and deferred charges					
	10a Investments - U.S. and state government obligations					
	b Investments - corporate stock Stmt 9			62669066.	68094227.	81306432.
	c Investments - corporate bonds Stmt 10			17847397.	16525996.	18154004.
Liabilities	11 Investments - land, buildings, and equipment basis ▶ Stmt 11			391388.	391388.	375145.
	Less accumulated depreciation ▶					
	12 Investments - mortgage loans					
	13 Investments - other Stmt 12			327185.	327185.	1213138.
	14 Land, buildings, and equipment basis ▶ Stmt 13			262039.	99052.	95028.
	Less accumulated depreciation ▶			167011.		330211.
	15 Other assets (describe ▶)					
	16 Total assets (to be completed by all filers)			91050752.	91927309.	107872415.
	17 Accounts payable and accrued expenses					
	18 Grants payable Stmt 8B			50000.	1475000.	
Net Assets or Fund Balances	19 Deferred revenue					
	20 Loans from officers, directors, trustees, and other disqualified persons					
	21 Mortgages and other notes payable					
	22 Other liabilities (describe ▶)					
	23 Total liabilities (add lines 17 through 22)			50000.	1475000.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.					
	24 Unrestricted					
	25 Temporarily restricted					
	26 Permanently restricted					
	Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.					
	27 Capital stock, trust principal, or current funds			0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			57554964.	57555853.	
	29 Retained earnings, accumulated income, endowment, or other funds			33445788.	32896456.	
Net Assets or Fund Balances	30 Total net assets or fund balances			91000752.	90452309.	
	31 Total liabilities and net assets/fund balances			91050752.	91927309.	

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	91000752.
2 Enter amount from Part I, line 27a	2	876555.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	91877307.
5 Decreases not included in line 2 (itemize) ▶ Grants payable increase; rounding	5	1424998.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	90452309.

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	Stmt 14	P		
b				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 32452032.		28863361.	3588671.
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			3588671.
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	3588671.
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	6554778.	93799707.	.069881
2007	6434032.	132647199.	.048505
2006	6791852.	144259870.	.047081
2005	6370170.	132951335.	.047914
2004	4797537.	125493141.	.038229

2 Total of line 1, column (d)	2	.251610
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	.050322
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	103679750.
5 Multiply line 4 by line 3	5	5217372.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	56446.
7 Add lines 5 and 6	7	5273818.
8 Enter qualifying distributions from Part XII, line 4	8	5334757.

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)		1	56446.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b		2	0.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)		3	56446.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
3 Add lines 1 and 2		5	56446.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		6a	81348.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		6b	
6 Credits/Payments:		6c	
a 2009 estimated tax payments and 2008 overpayment credited to 2009		6d	
b Exempt foreign organizations - tax withheld at source		7	81348.
c Tax paid with application for extension of time to file (Form 8868)		8	33.
d Backup withholding erroneously withheld		9	
7 Total credits and payments. Add lines 6a through 6d		10	24869.
8 Enter any penalty for underpayment of estimated tax. Check here ☒ if Form 2220 is attached		11	0.
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed			
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid			
11 Enter the amount of line 10 to be: Credited to 2010 estimated tax ☒ 24869. Refunded ☒			

Part VII-A Statements Regarding Activities

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

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>N/A</u>	13	X	
14	The books are in care of ► <u>Effie and Wofford Cain Foundation</u> Telephone no. ► <u>512-346-7490</u> Located at ► <u>4131 Spicewood Springs Road, #A-1, Austin, TX</u> ZIP+4 ► <u>78759</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here ☐ and enter the amount of tax-exempt interest received or accrued during the year	15		N/A

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☒ Yes ☐ No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No		
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ☐	1b	X
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 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.) <u>N/A</u>	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► _____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No		
b If "Yes," did it have excess business holdings in 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.) <u>N/A</u>	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4b	X

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

☒

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

☐ Yes ☐ No

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

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

6b

X

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

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See Statement 15		391800.	38934.	

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

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

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

0

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Part 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	94358666.
b	Average of monthly cash balances	1b	9282721.
c	Fair market value of all other assets	1c	1617242.
d	Total (add lines 1a, b, and c)	1d	105258629.
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	105258629.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	1578879.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	103679750.
6	Minimum investment return. Enter 5% of line 5	6	5183988.

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	5183988.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	56446.
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	56446.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	5127542.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	5127542.
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	5127542.

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	5332059.
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	2698.
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	5334757.
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	56446.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	5278311.

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.

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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				5127542.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			4579466.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2009:				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2009 from Part XII, line 4: ► \$ 5334757.				
a Applied to 2008, but not more than line 2a			4579466.	
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				755291.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				4372251.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

N/A

- b**
- Check box to indicate whether the foundation is a private operating foundation described in section

☐ 4942(1)(3) or ☐ 4942(1)(5)

- (4) Gross investment income

[illegible]

See Statement 16

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 8A				4762800.
Total			▶ 3a	4762800.
b Approved for future payment See Statement 8B				1475000.
Total			▶ 3b	1475000.

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

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

[illegible]

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

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

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

Sign Here

Signature of officer or trustee

03/11/11
Date

Executive Director

Paid Preparer's Use Only	
---	--

Preparer's
signature 

Date _____

Check if self-employed	
------------------------	--

Preparer's identifying number

Firm's name (or yours
if self-employed),
address, and ZIP code

EIN ►

Phone no.

Statement 1

Part I, Line 1 - Contributions Received:

Description	Column A Balance Per Books
Frank W. Denius 3500 Jefferson Street, Suite 315 Austin, TX 78731 Video camera - March 2010	889
Total Contributions Received	889

Statement 2

Part I, Line 11 - Other Income:

Description	Column A	Column B
	Balance Per Books	Investment Income
Oil & Gas Royalty Income	240,128	240,128
Shareholders' litigation settlement	21,477	21,477
Total Other Income	261,605	261,605

Statement 3

Payee	Service	Column A	Column B	Column D
		Balance Per Books	Related to Investment Income	Disbursed for Charitable Purpose
Part I, Line 16a - Legal Fees:				
Barton Law Office	Legal advice - 401(k)	2,264	0	2,264
Brorby, Crozier & Dobie, PC - fees	Legal and tax advice - Corporate	20,349	1,570	18,778
Carrington, Coleman, Sloman & Blumenthal	Legal advice - Property	1,810	1,810	0
Total Legal		24,422	3,380	21,042

Statement 4

Part I, Line 16c - Other Professional Fees.

Smith Asset Management (3 accounts)	Investment management	112,507			112,507	0	
Wellington Management	Investment management	48,959			48,959	0	
Clearbrook Investment Consulting	Investment consulting	39,154			39,154	0	
Westwood	Investment management	24,209			24,209	0	
Standish Mellon	Investment management	17,833			17,833	0	
JP Morgan Chase	Custodial management	14,470			14,470	0	
Frost National Bank	Plan sponsor for 401(k)	2,600			0	2,600	
JMD Consulting	Computer consulting	2,025			0	2,025	
ADP	Payroll service fees	1,845			0	1,845	
Maxwell, Locke & Ritter	Accounting consulting	1,500			1,500	0	
Texas Protax Austin	Property valuation services	172			0	172	
Total Other Professional Fees		265,275			258,633	6,642	

Statement 5

Part 1, line 18 - Taxes:

Description	Column A	Column B	Column D	Other
	Balance Per Books	Related to Investment Income	Disbursed for Charitable Purposes	
Payroll Taxes	16,776	846	15,930	
Ad Valorem Property Taxes	26,673	26,673		
Oil & Gas Production Tax	10,277	10,277		
Personal Property Taxes	306	14	292	
Foreign Dividend Taxes (K-1s)	0	3,991		
Excise Tax	40,000			40,000
Total	94,033	41,801	16,222	40,000

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

Statement 6

Part I, Line 19 - Depreciation and Depletion

-----Current Expense-----											
Column A						Column B					
Date Acquired		Cost	Recovery Period	Method Used	Rate	Accum as of 10/31/09	Balance Per Books	Related to Inv. Income	Other	Disposed	Accum as of 10/31/10
Depreciation:											
Office Furn. & Fixtures	1981	467	5 Yrs	S.L.	0%	467	0	0	0	0	467
Office Furn. & Fixtures	1982	259	5 Yrs	S.L.	0%	259	0	0	0	0	259
Office Furn. & Fixtures	1985	1,180	5 Yrs	S.L.	0%	1,180	0	0	0	0	1,180
Office Furn. & Fixtures	1987	1,655	5 Yrs	S.L.	0%	1,655	0	0	0	0	1,655
Office Furn. & Fixtures	1988	1,169	5 Yrs	S.L.	0%	1,169	0	0	0	0	1,169
Office Furn. & Fixtures	1989	48	7 Yrs	S.L.	0%	48	0	0	0	0	48
Office Furn. & Fixtures	1990	250	7 Yrs	S.L.	0%	250	0	0	0	0	250
Office Furn. & Fixtures	1991	260	7 Yrs	S.L.	0%	260	0	0	0	0	260
Office Furn. & Fixtures	1992	5,793	7 Yrs	S.L.	0%	5,793	0	0	0	0	5,793
Office Furn. & Fixtures	1993	10,931	7 Yrs	S.L.	0%	10,931	0	0	0	0	10,931
Office Furn. & Fixtures	1994	3,941	7 Yrs	S.L.	0%	3,941	0	0	0	0	3,941
Office Furn. & Fixtures	1995	792	7 Yrs	S.L.	0%	792	0	0	0	0	792
Office Furn. & Fixtures	1998	399	7 Yrs	S.L.	0%	399	0	0	0	0	399
Office Furn. & Fixtures	1999	3,485	7 Yrs	S.L.	0%	3,485	0	0	0	0	3,485
Office Furn. & Fixtures	2001	3,955	7 Yrs	S.L.	0%	3,955	0	0	0	0	3,955
Office Furn. & Fixtures	2002	1,821	7 Yrs	S.L.	0%	1,821	0	0	0	0	1,821
Office Furn. & Fixtures	2004	3,915	7 Yrs	S.L.	14%	3,076	559	0	559	0	3,635
Office Furn. & Fixtures	2008	750	7 Yrs	S.L.	14%	160	107	4	103	0	267
Office Equipment	1984	450	5 Yrs	S.L.	0%	450	0	0	0	0	450
Office Equipment	1987	80	5 Yrs	S.L.	0%	80	0	0	0	0	80
Office Equipment	1993	90	5 Yrs	S.L.	0%	90	0	0	0	0	90
Office Equipment	1994	628	5 Yrs	S.L.	0%	628	0	0	0	0	628
Office Equipment	1996	850	5 Yrs	S.L.	0%	850	0	0	0	0	850
Office Equipment	1999	1,595	5 Yrs	S.L.	0%	1,595	0	0	0	0	1,595
Office Equipment	2002	800	5 Yrs	S.L.	20%	800	0	0	0	0	800
Office Equipment	2007	2,713	5 Yrs	S.L.	20%	1,357	543	9	534	0	1,899
Office Equipment	2008	935	5 Yrs	S.L.	20%	280	187	7	180	0	467
Office Equipment	2010	889	5 Yrs	S.L.	10%	0	89	4	85	0	89
Data Processing Equipment	1999	2,278	5 Yrs	S.L.	0%	2,278	0	0	0	1,090	1,188
Data Processing Equipment	2002	200	5 Yrs	S.L.	0%	200	0	0	0	0	200
Data Processing Equipment	2007	11,019	5 Yrs	S.L.	20%	5,510	2,204	36	2,168	0	7,713
Data Processing Equipment	2010	2,698	5 Yrs	S.L.	10%	0	270	21	248	0	270
Office Condo - Building	1992	115,091	31.5 Yrs	S.L.	3% *	64,396	3,653	331	3,322	0	68,049
Office Refurbishment	2001	38,085	7 Yrs	S.L.	14%	38,085	0	0	0	0	38,085
Office Refurbishment	2002	4,251	7 Yrs	S.L.	0%	4,251	0	0	0	0	4,251
Total Depreciation		223,721				160,490	7,612	413	7,199	1,090	167,011

Statement 7

Part 1, Line 23 - Other Expenses:

Description	Column A	Column B	Column D
	Balance Per Books	Related to Investment Income	Disbursed for Charitable Purposes
Office Supplies	1,353	63	1,290
Pantry Supplies	706	33	673
Data Processing Supplies	3,709	172	3,536
Equipment Repair & Maintenance	0	0	0
Investment Property Repair & Maintenance	568	568	0
Property & Liability Insurance	12,909	251	12,658
Investment Property & Liability Insurance	746	746	0
Membership Dues	1,830	12	1,818
Direct Charitable	134	0	134
Miscellaneous	689	90	599
Other Deductions from K-1 reports	0	46,780	0
Total	22,643	48,716	20,708

Statement 8A Page 1 of 7

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

Activity/Recipient/Address	Status	Purpose	Amount
Human Needs and Services			
Athens Samaritans			
PO Box 350, Athens, TX 75751	Public	Home repairs for poor	15,000
Athens Thrift Store			
1419 E. Tyler Street, Athens, TX 75751	Public	General support	10,000
Austin Children's Shelter			
4800 Manor Road, Austin, TX 78723	Public	General support	300
Austin Police Operation Blue Santa			
715 E. 8th Street, Austin, TX 78701-3300	Public	General support	2,000
Austin YMBL Sunshine Camp			
PO Box 684980, Austin, TX 78768-4980	Public	General support	10,000
Boys and Girls Clubs of Austin and Travis County			
303 W. Johanna Street, Austin, TX 78704	Public	General support	5,000
Cariats of Austin			
PO Box 1947, Austin, TX 78767-1947	Public	General support	5,000
CASA of Tnnity Valley			
PO Box 2259, Athens, TX 75751	Public	Program expenses	5,000
Center for Child Protection			
8509 FM 969, Building 2, Austin, TX 78724	Public	General support	100,000
Center for Family Relations			
1818 San Pedro, San Antonio, TX 78212	Public	General support	2,000
Colleagues, The			
3312 Pico Blvd., Santa Monica, CA 90405	Public	Support local charities	2,500
Disabled Sports USA			
451 Hungerford Drive, Suite 100, Rockville, MD 20832	Public	General support	5,000
East Texas Crisis Center			
PO Box 7060, Tyler, TX 75711	Public	General support	2,500
Family Peace Project			
720 E. Corsicana Street, Athens, TX 75751	Public	General support	2,500
Helping Hand Home for Children			
3804 Avenue B, Austin, TX 78751	Public	General support	11,000
Henderson County Food Pantry			
715 E. Corsicana, Athens, TX 75751	Public	Food and nutrition	20,000
Henderson County United Way			
PO Box 1435, Athens, TX 75751	Public	General support	7,500
Make-A-Wish Foundation - Central & South Texas			
2224 Walsh Tarlton Lane, Suite 200, Austin, TX 78746	Public	Program expenses	5,000

Statement 8A Page 2 of 7

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

Activity/Recipient/Address	Status	Purpose	Amount
Make-A-Wish Foundation - North Texas Northeast Regional Office, 102 N. College, Tyler, TX 75702	Public	Program expenses	12,000
Meals on Wheels Ministries PO Box 5475, Tyler, TX 75712	Public	Food and nutrition	20,000
Ronald McDonald House Charities 403 E. 15th Street, Austin, TX 78701	Public	Program expenses	2,500
Salvation Army-Austin 501 E. 8th Street, Austin, TX 78701	Public	General support	60,000
Senior Citizens of Greater Dallas 3910 Harry Hines Blvd., Dallas, TX 75219	Public	General support	1,500
St. Vincent Citizens Nutrition Program 2131 West Third Street, Los Angeles, CA 90057-0992	Public	Food and nutrition	42,500
West Austin Care Givers 2601 Exposition Blvd., Austin, TX 78703	Public	Program expenses	5,000
World Family Foundation PO Box 351, Ojai, CA 93024	Public	Memorial gift	2,500
Total Human Needs and Services			356,300
Public and Community Benefit			
Austin Community Foundation PO Box 5159, Austin, TX 78763	Public	Program expenses	2,000
Austin Community Foundation PO Box 5159, Austin, TX 78763	Public	Program expenses; memorial gifts	34,500
Boy Scouts of America, Capitol Area 7540 Ed Bluestein Blvd., Austin, TX 78723-2399	Public	Program expenses	62,000
Capital of Texas Public Telecommunications Council 2504-B Whitis, Austin, TX 78705	Public	Underwrite children's programs on PBS television	7,500
City of Athens, Texas 508 E. Tyler Street, Athens, TX 75751	Public	Fire department & community programs	7,000
Congressional Medal of Honor Foundation 4835 LBJ Freeway, #650, Dallas, TX 75244	Public	General support	10,000
Greater Austin Crime Commission PO Box 27016, Austin, TX 78755	Public	Program expenses	2,000
Henderson County Historical Society 217 N. Praineville, Athens, TX 75751	Public	Program expenses	2,000
Henderson County Humane Society PO Box 162, Athens, TX 75751	Public	Program expenses	2,000

Statement 8A Page 3 of 7

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

Activity/Recipient/Address	Status	Purpose	Amount
Keep Athens Beautiful 203 N. Prairieville, Athens, TX 75751	Public	Beautification programs	5,000
KIDFISH Foundation 413 S. Carroll Street, Athens, TX 75751	Public	Program expenses	3,000
Public Library Fund 121 S. Prairieville, Athens, TX 75751	Public	Purchase books and other materials for library	2,000
Total Public and Community Benefit			139,000
Cultural Institutions			
Program Presentation and Support			
Austin Film Festival 1801 Salina Street, Austin, TX 78702	Public	General support	10,000
East Texas Arboretum & Botanical Society 1601 Patterson Road, Athens, TX 75751	Public	General support	20,000
Lakeland Community Concerts PO Box 912, Athens, TX 75751	Public	Program expenses	1,000
Texas Music Office PO Box 13246, Austin, TX 78711	Public	Program expenses	15,000
Total Cultural Institutions			46,000
Scientific and Medical Institutions			
Research and Treatment			
Alzheimer's Association of Greater Austin 3429 Executive Center, Austin, TX 78731	Public	General support	12,000
Austin Plastic Surgery Foundation PO Box 26694, Austin, TX 78755-0694	Public	General support	1,000
Beyond Batten Disease Foundation PO Box 200998, Austin, TX 78720	Public	Memorial gifts	500
Children's Burn Foundation 4929 Van Nuys Blvd., Sherman Oaks, CA 91403	Public	General support	10,000
Children's Cancer Fund of Dallas 2900 Live Oak, Dallas, TX 75204	Public	General support	10,000
CureDuchenne 3800 N. Lamar, Suite 138, Austin, TX 78756	Public	General support	1,000

Statement 8A Page 4 of 7

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

Activity/Recipient/Address	Status	Purpose	Amount
Daughters of Charity of St Vincent de Paul 1201 West 38th Street, Austin, TX 78705	Public	General support	27,500
East Texas Medical Center 2000 S. Palestine, Athens, TX 75751	Public	Hospital program expenses	3,000
Hospice Austin 4107 Spicewood Springs Road, Suite 100, Austin, TX 78759	Public	General support	2,500
Hospice Austin 4107 Spicewood Springs Road, Suite 100, Austin, TX 78759	Public	Memorial gift	1,000
Seton Healthcare 601 E. 15th Street, Austin, TX 78701-1930	Public	Hospital program expenses	1,000,000
Texas Scottish Rite Hospital 2222 Welborn Street, Dallas, TX 75219	Public	Scoliosis and hip disorders research	26,000
University of Texas at Austin System 601 Colorado Street, Austin, TX 78701-2982	Public	Research endowment	20,000
Zale Lipshy University Hospital 5151 Harry Hines Blvd., Dallas, TX 75235	Public	Hospital program expenses	15,000
Total Research and Treatment			1,129,500
Scientific and Medical Institutions Facilities & Equipment			
Children's Cancer Fund of Dallas 2900 Live Oak, Dallas, TX 75204	Public	Children's wheelchairs	5,000
Total Facilities & Equipment			5,000
Educational Institutions Scholarships and Awards			
Athens High School 708 E. College Street, Athens, TX 75751	Public	Scholarships	5,000
Athens Independent School District 104 Hawn Street, Athens, TX 75751	Public	Scholarships	3,000
Grammy Foundation 3402 Pico Blvd., Santa Monica, CA 90405	Public	Scholarships	7,500
Huston-Tillotson University 900 Chicon Street, Austin, TX 78702-2795	Public	Scholarships	3,000
Kappa Alpha Order Educational Foundation PO Box 1865, Lexington, VA 24450	Public	Scholarships	3,000

Statement 8A Page 5 of 7

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

Activity/Recipient/Address	Status	Purpose	Amount
National Football Foundation 21st at San Jacinto, Bellmont Hall, Austin, TX 78705	Public	Scholarships	24,000
North American Folk Music and Dance Alliance 5105 S Main Street, Memphis, TN 38103	Public	Scholarships	10,000
Southern Methodist University 6425 Boaz Lane, Dallas, TX 75205	Public	Scholarships	50,000
Texas A&M University 1501 Texas Avenue, South, College Station, TX 77840	Public	Scholarships	25,000
University of Texas at Austin 2400 Inner Campus Drive, Austin, TX 78712	Public	Endowed scholarship	40,000
Vistation Academy 3020 N. Ballas Road, St. Louis, MO 63131	Public	Scholarships	10,000
Total Scholarships and Awards			180,500
Educational Institutions			
Facilities and Equipment			
St. Andrew's Episcopal School 1112 West 35th Street, Austin, TX 78705	Public	Facility enhancements	2,025,000
University of Texas at Austin 2400 Inner Campus Drive, Austin, TX 78712	Public	Facility enhancements	450,000
Total Facilities and Equipment			2,475,000
Educational Institutions			
Educational Programs			
Academy of Medicine, Engineering & Science of Texas 1616 Guadalupe Street, Suite 3.304, Austin, TX 78701	Public	Program expenses	10,000
Athens High School 708 E. College Street, Athens, TX 75751	Public	Program expenses	12,000
Athens Public Education Foundation PO Box 2857, Athens, TX 75751	Public	Program expenses	11,000
University of Texas at Austin System 601 Colorado Street, Austin, TX 78701-2982	Public	Program expenses	22,000
University of Texas at Austin 2400 Inner Campus Drive, Austin, TX 78712	Public	Program expenses	6,000
Total Educational Programs			61,000

Statement 8A Page 6 of 7

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

Activity/Recipient/Address	Status	Purpose	Amount
Educational Institutions			
Special Programs			
Fisher High Alumni Association 3717 Rugged Drive, Dallas, TX 75224-4147	Public	Program expenses	40,000
Ex-Students' Association of University of Texas 2110 San Jacinto, Austin, TX 78705	Public	Program expenses	30,000
National Guard Association Texas Educational Foundation PO Box 10045, Austin, TX 78766	Public	Program expenses	32,000
Rise School of Austin 4220 Monterey Oaks Blvd., Austin, TX 78749	Public	Program expenses	12,500
University of Texas at Austin 2400 Inner Campus Drive, Austin, TX 78712	Public	Program expenses	7,500
University of Texas at Austin 2400 Inner Campus Drive, Austin, TX 78712	Public	Memorial gift	13,000
University of Texas Law School Foundation 727 East 26th Street, Austin, TX 78705	Public	Student education program expenses	102,000
Total Special Programs			237,000
Religious Institutions			
Religious Programs and Projects			
A&M Church of Christ 2475 Earl Rudder Freeway South, College Station, TX 77845	Public	Memorial gift	1,000
Faith Christian Cowboy Church 1597 N. US Highway 281, Johnson City, TX 78636	Public	Program expenses	1,000
Fellowship of Christian Athletes 1011 E. 53 1/2 Street, Suite 200, Austin, TX 78751	Public	Program expenses	5,000
First Presbyterian Church 306 East Tyler Street, Athens, TX 75751	Public	Christmas benevolence for the needy	15,000
First Presbyterian Church 306 East Tyler Street, Athens, TX 75751	Public	Program expenses	29,500
Good Shepherd Episcopal Church 2206 Exposition Blvd., Austin, TX 78703	Public	Christmas benevolence for the needy	10,000
Good Shepherd Episcopal Church 2206 Exposition Blvd., Austin, TX 78703	Public	Memorial gift	5,000
Ministry of Challenge PO Box 6189, Austin, TX 78762-6189	Public	Program expenses	7,000

Statement 8A Page 7 of 7

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

Activity/Recipient/Address	Status	Purpose	Amount
Ministry of Healing PO Box 7261, Tyler, TX 75711-7261	Public	Program expenses	5,000
Mt. Dearborn Methodist Church PO Box 236, Great Falls, SC 29055	Public	Christmas benevolence for the needy	5,000
Westminster Presbyterian Church 3208 Exposition Blvd., Austin, TX 78763	Public	Christmas benevolence for the needy	15,000
Westminster Presbyterian Church 3208 Exposition Blvd., Austin, TX 78763	Public	Program expenses	30,000
Young Life - Athens PO Box 520, Colorado Springs, CO 80901-0520	Public	Program expenses	5,000
Total Religious Programs and Projects			133,500
Total Contributions			4,762,800

Statement 8B

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

Recipient/Address	Status	Purpose	Amount
St. Andrew's Episcopal School 1112 West 35th Street, Austin, TX 78705	Public	Facility enhancements	1,475,000
Total future payments			1,475,000

Statement 9

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

Description	Beginning of Tax Year	End of Tax Year		
	Column A Book Value	# of Shares	Column B Book Value	Column C Fair Market Value
3Com Corporation	30,740	0	0	0
Abbott Laboratories	378,349	0	0	0
ADC Telecommunications	28,053	0	0	0
Aerostale	26,983	0	0	0
Allegiant Travel Company	34,309	0	0	0
Amedisys	43,706	0	0	0
American Express Company	411,044	10,200	365,054	422,892
American Italian Pasta Company, Class A	27,083	0	0	0
American Medical Systems Holding	45,111	0	0	0
American Reprographics Company	28,231	0	0	0
AMN Healthcare Services	26,135	0	0	0
Amsurg Corporation	37,576	0	0	0
Apache Corporation	383,689	0	0	0
Apollo Group, Class A	323,751	0	0	0
Apple	297,187	1,350	162,070	406,323
Applied Signal Technology	26,212	0	0	0
Arrow Electronics	0	14,100	409,983	417,501
Asiainfo Holdings	25,785	0	0	0
Autoliv	0	5,825	315,045	415,323
Avery Dennison Corporation	408,456	0	0	0
Baker Michael Corporation	33,346	0	0	0
Beacon Roofing Supply	41,947	0	0	0
Bed, Bath & Beyond	0	9,350	388,291	410,465
Benchmark Electronics	24,912	0	0	0
BMC Software	398,513	9,150	299,770	415,959
Brightpoint	30,605	0	0	0
Bristol Myers Squibb Company	345,626	0	0	0
Broadridge Financial Solutions LLC	25,103	0	0	0
Caci International, Class A	46,878	0	0	0

Statement 9

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

Description	Beginning of Tax Year	End of Tax Year		
	Column A Book Value	# of Shares	Column B Book Value	Column C Fair Market Value
Cal Dive International	29,817	0	0	0
Capital One Financial Corporation	0	10,225	396,808	381,086
Carbo Ceramics	30,938	0	0	0
Carter	30,254	0	0	0
Celgene Corporation	0	6,800	376,330	421,804
Cheesecake Factory	26,942	0	0	0
Chemed Corporation	25,331	0	0	0
Church & Dwight	447,220	0	0	0
Cimarex Energy Company	0	5,000	398,953	383,750
Cisco Systems	356,733	0	0	0
Colgate Palmolive Company	376,447	0	0	0
ConocoPhillips	362,621	0	0	0
Consolidated Communications	30,745	0	0	0
Cooper Tire & Rubber Company	29,726	0	0	0
CSG Systems International	64,219	0	0	0
Cubic Corporation	29,734	0	0	0
Cullen Frost Bankers	1,017,833	110,036	1,017,833	5,770,288
Deluxe Corporation	24,641	0	0	0
Dineequity	37,361	0	0	0
Dresser-Rand Group	368,140	0	0	0
Dyncorp International, Class A	23,706	0	0	0
Eaton Corporation	0	4,825	353,541	428,605
Emcor Group	34,545	0	0	0
Endo Pharmaceuticals Holdings	0	11,425	322,877	419,755
Energizer Holdings	0	5,425	376,773	405,682
Energys	22,689	0	0	0
Express Scripts, Class A	129,942	8,475	88,811	411,207
ExxonMobil Corporation	183,274	5,300	183,274	352,397
F5 Networks	27,342	0	0	0
Franklin Resource	377,214	3,500	329,818	401,450

Statement 9

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

Description	Beginning of Tax Year	End of Tax Year		
	Column A Book Value	# of Shares	Column B Book Value	Column C Fair Market Value
Freeport-McMoran Copper & Gold, Class B	381,544	4,075	268,068	386,290
Goldman Sachs Group	293,204	0	0	0
Gulfport Energy Corporation	28,278	0	0	0
Gymboree Corporation	26,452	0	0	0
Halliburton Company	0	11,475	378,128	365,594
Hansen Natural Corporation	0	8,100	378,167	414,801
Helmerich & Payne	0	9,050	396,110	387,159
Hewlett-Packard Company	283,197	7,900	254,234	332,116
Home Depot	367,265	0	0	0
Horace Mann Educators Corporation	27,239	0	0	0
Illinois Tool Works	378,097	8,275	343,669	378,002
Intel Corporation	350,484	0	0	0
Interdigital	39,443	0	0	0
International Business Machines Corporation	323,885	2,875	266,517	412,850
J2 Global Communications	25,258	0	0	0
Jabil Circuit	0	24,800	423,929	380,432
Jos A Bank Clothiers	26,638	0	0	0
JP Morgan Chase & Company	515,802	14,059	518,544	529,040
Kensley Nash Corporation	39,719	0	0	0
Knight Capital Group, Class A	29,741	0	0	0
Lancaster Colony Corporation	27,987	0	0	0
Lender Processing Services	317,692	0	0	0
LHC Group LLC	27,331	0	0	0
Limited Brands	0	13,900	373,768	408,521
Lubrizol Corporation	0	3,575	338,685	366,402
Manpower Wisconsin	0	7,400	393,352	405,002
Martek Biosciences Corporation	43,555	0	0	0
Mattel	0	16,850	362,715	393,111
McAfee	309,698	0	0	0

Statement 9

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

Description	Beginning of Tax Year	End of Tax Year		
	Column A Book Value	# of Shares	Column B Book Value	Column C Fair Market Value
McDonalds Corporation	476,846	0	0	0
McKesson Corporation	389,586	6,475	350,356	427,221
Medicis Pharmaceutical Corporation, Class A	27,002	0	0	0
Mens Wearhouse	25,770	0	0	0
MetroPCS Communications	0	37,600	410,791	391,040
Multi Fineline Electronix	24,883	0	0	0
Net 1 UEPS Technologies	23,985	0	0	0
NetApp	0	8,050	329,982	428,663
Newmarket Corporation	25,450	0	0	0
Nordson Corporation	28,082	0	0	0
Nu Skin Enterprises, Class A	29,120	0	0	0
Odyssey Healthcare	27,674	0	0	0
Optionsxpress Holdings	27,822	0	0	0
Owens & Minor Holding Company	30,366	0	0	0
Oxford Industries	35,674	0	0	0
Pactiv Corporation	393,577	0	0	0
Papa Johns International	22,311	0	0	0
Parker Drilling Company	28,209	0	0	0
Parker-Hannifin Corporation	0	6,560	379,816	432,508
PDL Biopharma	25,211	0	0	0
Petmed Express	22,407	0	0	0
Plantronics New	28,840	0	0	0
PNC Financial Services Group	0	7,200	408,652	388,080
Polaris Industries	41,896	0	0	0
Powell Industries	21,742	0	0	0
Prestige Brands Holdings	33,194	0	0	0
Priceline.com	0	1,165	403,213	438,984
PS Business Parks California	28,656	0	0	0
Questor Pharmaceuticals	32,640	0	0	0

Statement 9

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

Description	Beginning of Tax Year	End of Tax Year		
	Column A Book Value	# of Shares	Column B Book Value	Column C Fair Market Value
Raytheon Company	386,426	0	0	0
Red Hat	286,484	0	0	0
RF Micro Devices	30,193	0	0	0
Rock-Tenn Company, Class A	19,105	0	0	0
Ross Stores	339,175	7,200	247,201	424,728
SAIC	409,373	0	0	0
Scansource	17,532	0	0	0
Scotts Miracle-Gro Company	25,836	0	0	0
Southern Union Company	704,129	68,934	704,129	1,732,311
SPDR Gold Trust	297,325	3,400	297,325	450,908
Starent Networks Corporation	27,693	0	0	0
Steris Corporation	29,088	0	0	0
Strayer Education	348,357	0	0	0
Sybase	33,423	0	0	0
Syniverse Holdings	22,163	0	0	0
Synnex Corporation	28,812	0	0	0
TD Ameritrade Holding Corporation	377,759	0	0	0
Teletech Holdings	22,356	0	0	0
Tempur-Pedic International	26,823	0	0	0
Tennant Company	30,708	0	0	0
Tessera Technologies	28,209	0	0	0
Thomas & Betts Corporation	0	9,050	333,977	394,128
Tibco Software	0	22,125	272,071	425,243
TNS	19,674	0	0	0
Tractor Supply Company	23,414	0	0	0
Tupperware Corporation	27,479	0	0	0
Tyson Foods, Class A	0	21,200	423,523	329,660
United Parcel Service, Class B	0	5,875	364,234	395,623
Valeant Pharmaceuticals Intl	404,479	0	0	0

Statement 9

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

Description	Beginning of Tax Year		End of Tax Year	
	Column A Book Value	# of Shares	Column B Book Value	Column C Fair Market Value
Value Click	26,830	0	0	0
Verifone Holdings Incorporated	28,768	0	0	0
Wal Mart Stores	399,116	0	0	0
Warnaco Group	26,386	0	0	0
Watson Pharmaceuticals	0	8,600	363,115	401,190
Watson Wyatt & Company Holdings, Class A	33,341	0	0	0
Western Digital Corporation	375,703	0	0	0
Whole Foods Market	382,218	10,875	305,022	432,281
WMS Industries	391,267	0	0	0
WMS Industries	40,229	0	0	0
World Acceptance Corporation S C	28,734	0	0	0
World Fuel Service Corporation	30,864	0	0	0
Wright Express Corporation	27,516	0	0	0
Chase Multi-Strategy Hedge Fund (Class C-A Series)	3,750,000	4,538	4,250,000	5,788,559
Cohen & Steers Diversified Value Fund	0	328,889	3,537,869	3,614,488
GS Global Equity Long/Short Partners PLC A I	3,000,000	0	3,750,000	4,633,833
GS Global Equity Long/Short Partners PLC Class A, S23	750,000	0	500,000	498,453
Pimco All Asset Fund	0	177,982	2,070,941	2,258,597
Russell 1000 Value Index Fund	10,243,085	69,000	3,414,362	4,195,890
Templeton Foreign Equity Series	10,464,654	534,258	10,750,654	10,792,006
Vanguard Institutional Index Fund	10,946,402	101,470	11,171,310	10,993,224
Vanguard Small-Cap Index Fund	0	125,179	3,500,000	3,572,604
Wellington Inflation Hedges	4,427,740	451,842	5,493,910	6,777,631
Westwood Large-Cap Value Equity Trust Fund	0	17,383	3,580,656	3,664,780
Total Corporate Stock	62,669,066	2,388,170	68,094,227	81,306,432

Statement 10

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

Description	Beginning of Tax Year	End of Tax Year		
	Column A Book Value	Par/Face Value	Column B Book Value	Column C Fair Market Value
CF CIS Government/Credit Index Fund	9,151,438	NA	7,994,709	8,815,230
CF CIS Securitized Index Fund	6,695,960	NA	4,645,692	4,930,876
GS Corporate Credit Investment Fund	2,000,000	NA	2,887,918	3,359,735
GS TIPS	0	NA	997,676	1,048,164
Total Corporate Bonds	17,847,397	0	16,525,996	18,154,004
Total Securities	80,516,463		84,620,222	99,460,436

Statement 11

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

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

Statement 12

Part II, Line 13 - Investments - Other:

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

See Statement 5 for analysis of Accumulated Depletion.

Statement 13

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

Description	Basis at 10/31/10	Beginning of Tax Yr		End of Tax Year	
		Column A Book Value	Accum. Depret'n	Column B Book Value	Column Fair Market Value
Depreciable Assets					
Office Equipment	9,029	2,011	6,948	2,081	2,070
Furniture & Fixtures	41,070	1,430	40,307	763	4,759
Data Processing Equipment	15,105	5,510	9,371	5,734	3,475
Office Refurbishment	42,336	0	42,336	0	42,336
Office Condo - Building	115,091	50,695	68,049	47,042	173,333
Subtotal	222,632	59,646	167,011	55,620	225,974
Non-depreciable Assets					
Furniture & Fixtures	10,195	10,195	0	10,195	10,195
Office Condo - Land	29,212	29,212	0	29,212	94,042
Subtotal	39,407	39,407	0	39,407	104,237
Total	262,039	99,053	167,011	95,027	330,211

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

Statement 14

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

# of Shares	Description	*How Acquired	Date Acquired	Date Sold	Sales Price	Cost	Gain (Loss)
Publicly Traded Securities							
715	CF CIS Securitized Index Fund	P	30-Jun-08	30-Oct-09	28,187,308	24,168,233	4,019,075
975	CF CIS Securitized Index Fund	P	30-Jun-08	30-Nov-09	70,513	67,836	2,677
319	CF CIS Securitized Index Fund	P	30-Jun-08	15-Dec-09	96,827	92,504	4,323
4,619	CF CIS Securitized Index Fund	P	30-Jun-08	31-Dec-09	31,431	30,265	1,166
189	CF CIS Securitized Index Fund	P	30-Jun-08	15-Jan-10	451,461	438,232	13,229
356	CF CIS Securitized Index Fund	P	30-Jun-08	29-Jan-10	18,664	17,932	732
9,754	CF CIS Securitized Index Fund	P	30-Jun-08	26-Feb-10	35,183	33,776	1,408
10	CF CIS Securitized Index Fund	P	30-Jun-08	15-Mar-10	963,110	925,419	37,691
704	CF CIS Securitized Index Fund	P	30-Jun-08	31-Mar-10	991	949	42
96	CF CIS Securitized Index Fund	P	30-Jun-08	15-Apr-10	69,485	66,793	2,692
755	CF CIS Securitized Index Fund	P	30-Jun-08	30-Apr-10	9,486	9,108	378
561	CF CIS Securitized Index Fund	P	30-Jun-08	28-May-10	74,760	71,631	3,129
379	CF CIS Securitized Index Fund	P	30-Jun-08	15-Jun-10	55,825	53,225	2,600
552	CF CIS Securitized Index Fund	P	30-Jun-08	30-Jun-10	37,824	35,958	1,866
238	CF CIS Securitized Index Fund	P	30-Jun-08	15-Jul-10	55,382	52,371	3,011
243	CF CIS Securitized Index Fund	P	30-Jun-08	30-Jul-10	23,936	22,580	1,355
387	CF CIS Securitized Index Fund	P	30-Jun-08	31-Aug-10	24,509	23,055	1,454
204	CF CIS Securitized Index Fund	P	30-Jun-08	15-Sep-10	38,983	36,717	2,266
554	CF CIS Securitized Index Fund	P	30-Jun-08	30-Sep-10	20,496	19,355	1,141
5,107	CF CIS Government/Credit Index Fund	P	30-Jun-08	31-Dec-09	55,494	52,561	2,933
13,209	CF CIS Government/Credit Index Fund	P	30-Jun-08	26-Feb-10	548,645	522,531	26,114
0	State Street Global Advisors (K-1 adjustments)	P	Various	31-Oct-10	1,437,007	1,351,976	85,031
807	Wellington Inflation Hedge	x	Various	02-Nov-09	0	42,854	(42,854)
13	Wellington Inflation Hedge	P	Various	01-Feb-10	10,522	9,521	1,001
14	Wellington Inflation Hedge	P	Various	03-May-10	11,481	10,662	819
13	Wellington Inflation Hedge	P	Various	02-Aug-10	13,608	11,786	1,822
0	Wellington Inflation Hedge (K-1 adjustments)	P	Various	31-Oct-10	13,348	12,161	1,187
0	Westwood Large Cap Value Equity Fund	x	Various	Various	0	654,273	(654,273)
		P	Various	Various	95,752	29,096	66,656
Total Fixed Income					4,264,724	4,695,128	(430,404)
Total Publicly Traded Securities & Fixed Income					32,452,032	28,863,361	3,588,671

Statement 15

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

(A) Name and Address	(B) Title and Average Hours per Week Devoted to Position	(C) Compensation	(D) Benefit and Retirement Plans	(E) Expense Account
Franklin W. Denius 700 Lavaca Street, Suite 700 Austin, Texas 78701-3102	Director, President 33.2 Hours per week	29,500	0	0
John C. Cain 102 W. Tyler Athens, Texas 75751	Director, Vice President 11.7 Hours per week	29,500	0	0
Charmaine D. McGill 4131 Spicewood Springs, #A-1 Austin, TX 78759	Director, Vice President, Grants Administrator 31.45 Hours per week	73,000	6,188	0
F. Wofford Denius 4215 Glencoe Avenue, 2nd Floor Marina del Rey, CA 90292-5634	Director, Vice President 12.5 Hours per week	29,500	0	0
Lynn Fowler 4131 Spicewood Springs, #A-1 Austin, Texas 78759	Executive Director, Secretary & Treasurer 44.31 Hours per week	174,200	24,921	0
Mary Bratz 4131 Spicewood Springs, #A-1 Austin, Texas 78759	Business Manager, Assistant Secretary 39.69 Hours per week	56,100	7,825	0
		391,800	38,934	0

Statement 16

Part XV, Supplementary Information:

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

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

Line 2b - Application Form:

The Foundation does not accept unsolicited grant applications and no grants are made to or for the benefit of individuals.

Line 2c - Submission Deadlines:

There are no submission deadlines.

Line 2d - Restrictions or Limitations on Awards.

The Foundation does not accept unsolicited grant applications and no grants are made to or for the benefit of individuals.