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

2010

Department of the Treasury
Internal Revenue Service

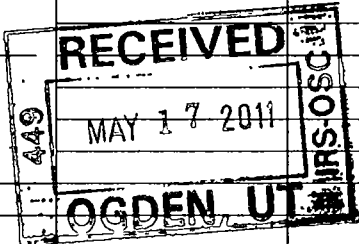
Note The foundation may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 2010, 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

Name of foundation THE CANSECO FOUNDATION		A Employer identification number 74-2802328
Number and street (or P O box number if mail is not delivered to street address) C/O JORGE CANSECO 601 ELIZABETH ROAD	Room/suite	B Telephone number 210-829-8359
City or town, state, and ZIP code SAN ANTONIO, TX 78209-6134		C If exemption application is pending, check here <input type="checkbox"/> D 1. Foreign organizations, check here <input checked="" type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ 1,800,678. (Part I, column (d) must be on cash basis)	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))</small>		(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			N/A	
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	155.	155.		STATEMENT 1
	4 Dividends and interest from securities	42,502.	42,502.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10				
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)		0.		
	8 Net short-term capital gain				
	9 Income modifications Gross sales less returns and allowances				
	10a Less Cost of goods sold				
b Gross profit or (loss)					
11 Other income					
12 Total. Add lines 1 through 11		42,657.	42,657.		
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				
	b Accounting fees STMT 3	1,390.	890.		500.
	c Other professional fees STMT 4	1,500.	1,500.		0.
	17 Interest				
	18 Taxes STMT 5	358.	23.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 6	105.	105.		0.
	24 Total operating and administrative expenses. Add lines 13 through 23	3,353.	2,518.		500.
	25 Contributions, gifts, grants paid	90,000.			90,000.
26 Total expenses and disbursements Add lines 24 and 25	93,353.	2,518.		90,500.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-50,696.				
b Net investment income (if negative, enter -0-)		40,139.			
c Adjusted net income (if negative, enter -0-)			N/A		



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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	124,220.	35,146.	35,146.
	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 7	316,221.	316,221.	311,592.
	c	Investments - corporate bonds			
11	Investments - land, buildings, and equipment basis ▶				
	Less accumulated depreciation ▶				
12	Investments - mortgage loans				
13	Investments - other STMT 8	1,496,173.	1,534,551.	1,453,940.	
14	Land, buildings, and equipment basis ▶				
	Less accumulated depreciation ▶				
15	Other assets (describe ▶)				
16 Total assets (to be completed by all filers)		1,936,614.	1,885,918.	1,800,678.	
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 ▶ <input type="checkbox"/>				
	and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>				
	and complete lines 27 through 31				
	27	Capital stock, trust principal, or current funds	1,584,512.	1,584,512.	
28	Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.		
29	Retained earnings, accumulated income, endowment, or other funds	352,102.	301,406.		
30 Total net assets or fund balances		1,936,614.	1,885,918.		
31 Total liabilities and net assets/fund balances		1,936,614.	1,885,918.		

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	1,936,614.
2	Enter amount from Part I, line 27a	2	-50,696.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	1,885,918.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	1,885,918.

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 NONE					
c					
d					
e					
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)		
a					
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(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					
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		
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 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))
2009	93,045.	1,570,001.	.059264
2008	105,903.	1,876,340.	.056441
2007	103,600.	2,184,496.	.047425
2006	95,500.	2,088,018.	.045737
2005	98,000.	2,076,760.	.047189
2 Total of line 1, column (d)			.256056
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			.051211
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5		1,732,227.	
5 Multiply line 4 by line 3			88,709.
6 Enter 1% of net investment income (1% of Part I, line 27b)			401.
7 Add lines 5 and 6			89,110.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.			90,500.

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 <input type="checkbox"/> 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 <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	401.
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	401.
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	401.
6	Credits/Payments:		
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	480.
b	Exempt foreign organizations - tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	480.
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	79.
11	Enter the amount of line 10 to be: Credited to 2011 estimated tax <input type="checkbox"/> 79. Refunded <input checked="" type="checkbox"/>	11	0.

Part VII-A Statements Regarding Activities

	Yes	No
1a		X
1b		X
1c		X
2		X
3		X
4a		X
4b		
5		X
6	X	
7	X	
8a		
8b	X	
9		X
10		X

N/A

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>CANSECOFOUNDATION.COM</u>	13	X	
14	The books are in care of ► <u>JORGE E. CANSECO</u> Telephone no. ► <u>210-829-8359</u> Located at ► <u>601 ELIZABETH ROAD, SAN ANTONIO, TX</u> ZIP+4 ► <u>78209-6134</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	
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	Yes	No X

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/> N/A <input checked="" type="checkbox"/>	1b	
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2010 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 2010) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	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 2010?	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)? Yes No
 Organizations relying on a current notice regarding disaster assistance check here Yes No

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? Yes No
 If "Yes," attach the statement required by Regulations section 53.4945-5(d) N/A

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? Yes No
 If "Yes" to 6b, file Form 8870

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

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No

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 9		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
NONE		

Total number of others receiving over \$50,000 for professional services ▶ 0

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

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

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

Total. Add lines 1 through 3 ▶ 0.

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

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:			
a	Average monthly fair market value of securities	1a	1,649,446.
b	Average of monthly cash balances	1b	109,160.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	1,758,606.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	1,758,606.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	26,379.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,732,227.
6	Minimum investment return. Enter 5% of line 5	6	86,611.

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	86,611.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	401.
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	401.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	86,210.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	86,210.
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	86,210.

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	90,500.
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	90,500.
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	401.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	90,099.

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 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				86,210.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			76,805.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2010 from Part XII, line 4: ▶ \$ 90,500.				
a Applied to 2009, but not more than line 2a			76,805.	
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 2010 distributable amount				13,695.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2010 (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 2009. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				72,515.
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 2005 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

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 2010, 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				(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
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)(ii)					
(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).)

NONE

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

NONE

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs**
 Check here 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:
JORGE E. CANSECO, 210-829-8359
601 ELIZABETH RD, SAN ANTONIO, TX 782096134

b The form in which applications should be submitted and information and materials they should include:
SEE "GRANT APPLICATION FORM" ATTACHED

c Any submission deadlines:
THE DEADLINE FOR APPLICATION IS APRIL 30TH OF EACH YEAR

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:
PRIMARILY FOCUSED ON EDUCATION PROGRAMS LOCATED IN THE LAREDO, WEBB COUNTY, TEXAS AREA (SEE "GRANT GUIDELINES" ATTACHED)

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	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
Name and address (home or business)				
<i>a Paid during the year</i>				
CASA DE MISERICORDIA P.O. BOX 430175 LAREDO, TX 78043	N/A	PUBLIC	FUND SALARY & COSTS-CHILDCARE & ACTIVITY COORDINATOR	15,000.
MERCY MINISTRIES OF LAREDO P.O. BOX 430169 LAREDO, TX 78043	N/A	PUBLIC	MERCY CLINIC SPECIALTY CARE	25,000.
RUTHE B COWL REHABILITATION CENTER 1220 MALINCHE AVE LAREDO, TX 78043	N/A	PUBLIC	PURCHASE REHAB EQUIPMENT	5,000.
TEXAS A&M INTNL UNIVERSITY 5201 UNIVERSITY BLVD LAREDO, TX 78041	N/A	PUBLIC	CANSECO MEMORIAL NURSING SCHOLARSHIP FUND	25,000.
UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER 7703 FLOYD CURL DRIVE SAN ANTONIO, TX 78229	N/A	PUBLIC	PRESIDENT'S ENDOWED SCHOLARSHIP IN ORAL HEALTH	20,000.
Total			▶ 3a	90,000.
<i>b Approved for future payment</i>				
NONE				
Total			▶ 3b	0.

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

SOURCE	AMOUNT
FROST NATIONAL BANK	5.
GOLDMAN SACHS & CO	150.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	155.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
GOLDMAN SACHS & CO.	42,502.	0.	42,502.
TOTAL TO FM 990-PF, PART I, LN 4	42,502.	0.	42,502.

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LANGE, POTEET & CO FOR PREPARATION OF FORM 990-PF	500.	0.		500.
LANGE, POTEET & CO FOR BOOKKEEPING SERVICES	890.	890.		0.
TO FORM 990-PF, PG 1, LN 16B	1,390.	890.		500.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
GOLDMAN SACHS & CO FOR CONSULTING RE: INVESTMENTS	1,500.	1,500.		0.
TO FORM 990-PF, PG 1, LN 16C	1,500.	1,500.		0.

FORM 990-PF	TAXES			STATEMENT 5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
2010 ESTIMATED EXCISE TAX FORM 990-PF FOREIGN TAXES	335.	0.		0.
	23.	23.		0.
TO FORM 990-PF, PG 1, LN 18	358.	23.		0.

FORM 990-PF	OTHER EXPENSES			STATEMENT 6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BANK CHARGES	105.	105.		0.
TO FORM 990-PF, PG 1, LN 23	105.	105.		0.

FORM 990-PF	CORPORATE STOCK		STATEMENT 7
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE	
CITIGROUP	7,021.	1,419.	
AMGEN INC	14,721.	13,725.	
CISCO SYSTEMS INC	11,688.	12,138.	
FREDDIE MAC	9,634.	46.	
MICROSOFT CORP	18,635.	20,932.	
PEPSICO INC	10,532.	13,162.	
PRAXAIR INC	12,032.	23,868.	
QUALCOMM INC	9,446.	12,373.	
STRYKER CORP	4,717.	5,388.	
TARGET CORP	12,968.	15,032.	
WAL-MART STORES INC	10,499.	10,846.	
ZIMMER HLDGS INC	8,010.	5,368.	
AMERICAN EXPRESS CO	11,625.	8,584.	
AVIS BUDGET GROUP INC	3,066.	1,400.	
BAKER HUGHES INC	27,698.	22,868.	
THE BANK OF NEW YORK MELLON CORP	10,347.	8,547.	
BANK OF AMERICA CORP	3,550.	3,002.	
CBS CORPORATION	2,678.	1,910.	
GENERAL ELECTRIC CO	10,693.	5,487.	

IDEARC INC	259.	0.
JPMORGAN CHASE & CO	14,389.	12,726.
MCGRAW-HILL COMPANIES INC	13,175.	7,282.
SCHLUMBERGER LTD	19,301.	25,113.
THE TRAVELERS COMPANIES INC	15,594.	16,713.
UNITED TECHNOLOGIES CORP	13,102.	15,744.
WALT DISNEY COMPANY (THE)	12,808.	15,164.
RESEARCH IN MOTION	12,065.	17,439.
SUNCOR ENERGY INC	15,801.	15,316.
CITADEL BROADCASTING CORP	167.	0.
TOTAL TO FORM 990-PF, PART II, LINE 10B	316,221.	311,592.

FORM 990-PF OTHER INVESTMENTS STATEMENT 8

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
GS HIGH YIELD BD FD CL A	COST	282,075.	278,964.
GS CORE FIXED INC FUND	COST	514,618.	509,739.
GS LARGE CAP VALUE FUND	COST	628,728.	570,501.
GS INTL EQUITY FUND CL A	COST	109,130.	94,736.
TOTAL TO FORM 990-PF, PART II, LINE 13		1,534,551.	1,453,940.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS STATEMENT 9
 TRUSTEES AND FOUNDATION MANAGERS

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN	EXPENSE CONTRIB ACCOUNT
PATRICIA CANSECO BRUCE 820 HUNTINGTON CIRCLE PASADENA, CA 91106	PRESIDENT/DIRECTOR 0.10	0.	0.	0.
CARLOS M. CANSECO P.O. BOX 881480 STEAMBOAT SPRINGS, CO 80488	VICE-PRESIDENT/DIR. 0.10	0.	0.	0.
FRANCISCO R. CANSECO 19 JACKSON COURT SAN ANTONIO, TX 78230	SECRETARY/DIRECTOR 0.10	0.	0.	0.
JORGE E. CANSECO 601 ELIZABETH ROAD SAN ANTONIO, TX 78209	TREASURER/DIRECTOR 0.10	0.	0.	0.
CONSUELO CANSECO MEEHAN 315 MILLWOOD ROAD CHAPPAQUA, NY 10514	DIRECTOR 0.10	0.	0.	0.
CECILIA CANSECO KECK 303 STRATFORD LANE LAREDO, TX 78041	DIRECTOR 0.10	0.	0.	0.
MARGARITA CANSECO KONTNY 6707 EAST FREMONT PLACE ENGLEWOOD, CO 80112	DIRECTOR 0.10	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

THE CANSECO FOUNDATION

GRANT GUIDELINES

The Canseco Foundation is a small, private family grantmaker concerned with making an impact on the cultural, scientific and general education of persons from, in and around the Laredo, Texas area. The Canseco Foundation focuses its grantmaking and other charitable activities on positive educational and social change for the Laredo area.

In 1996, Consuelo S. Canseco established The Canseco Foundation in order to give back to the community where she and her late husband Dr. Francisco M. Canseco lived and raised their children. Her purpose in the foundation was to foster and support positive educational experiences for people in the Laredo area as well as organizations dedicated to the betterment and assistance of those less fortunate. In addition to certain specific entities designated by the donor, local Laredo educational institutions and charitable organizations have been the target grantees.

The Canseco Foundation grant making process is conducted by the Board of directors in an impartial manner based upon an evaluation of each project request. Solicitation of individual members of The Canseco Foundation Board of Directors by potential recipients for specific Foundation grant requests is discouraged.

Priorities for funding will vary from time to time. Even though a project meets established criteria, it may not be adopted because of limited funds or other priorities. The Foundation wishes to encourage projects that are well informed, have clearly defined objectives, demonstrate strong community ties, and promote positive values.

The Canseco Foundation grants do not merely provide funds to an existing project, however worthy. To be eligible for consideration, projects must be efforts involving a not for profit tax exempt 501(c)(3) organization or association as sponsor. They must be designed to provide the most impact for the least amount of dollars. Projects must have the support of appropriate organizations and/or governmental units in the community where the project is to be carried out. The following criteria have been established by the Board of Directors of the Canseco Foundation.

The grant/project must:

1. Be located in the Laredo, Webb County, Texas area or impact or be “linked” to the Laredo, Webb County, Texas area or other areas as designated by the original donor.
2. Be applicable to one of the following categories:
Education; Healthcare; Cultural Development
3. Reasonably ensure continued support after involvement by The Canseco Foundation is discontinued.
4. Demonstrably benefit others beyond the individual organization recipient of the grant.
5. Not involve the payment of general administration costs for the sponsoring organization.
6. The Foundation will not provide funds to lobby legislation or influence public elections.
7. Funding commitments are generally made on a year to year basis.
8. The foundation welcomes collaboration with other grantmakers and favors grantseekers with multiple sources of support.

Additional Grant Making Policies and Guidelines:

If your grant request includes new equipment, please investigate whether reconditioned and/or used equipment can be substituted.

How to Apply for a Grant

Grant seekers should first study this document to determine whether or not their approach and funding needs are consistent with The Foundation’s interests. Organizations that believe their current or proposed activities are responsive, should thoroughly prepare the attached grant application and include all requested supplemental documentation. **The deadline for application is April 30th of each year.** The Board will subsequently review the grant applications and decide whether or not to grant support. Grants are announced in October and distributed by early December. It is requested that all grant recipients follow-up with a report or summary regarding how the grant was used and the success or failure of the subject project.

Please submit all grant applications together with supplemental materials via email per the application’s instructions.

THE CANSECO FOUNDATION

GRANT APPLICATION FORM

THE CANSECO FOUNDATION

601 Elizabeth Road
San Antonio, Texas 78209-6134
Tel: 210-829-8359 Fax: 210-829-5630
jecanseco@sbcglobal.net

GRANT APPLICATION

Organization Name _____

Address _____

Primary Contact/Title _____

Telephone _____ Fax _____

Description of Project or Program for which funds are needed:

Amount Requested from the Foundation \$ _____

Total Project Cost/Budget \$ _____

Funds Available for the Proposed Project

Board Members & Staff \$ _____
Individuals \$ _____
Corporations \$ _____
Foundations \$ _____
Other _____ \$ _____

Have you applied for funding from other Foundation Sources for this Project?

Yes ___ No ___

If Yes, from whom?

Have you received a grant from this foundation in the past?

If yes, how much have you been awarded?

Organization's Mission Statement:

Demographics:

Number of people directly served: _____

Geographical area served: _____

How will the project be evaluated?

If awarded, when would this grant be used?

Classification of the Project/Program: (Please Circle)

- | | |
|-------------------------|------------------------------|
| A. Education | E. Youth |
| B. Arts & Culture | F. Conservation/Preservation |
| C. Medical/Science | G. Religious |
| D. Social/Human Service | H. Other _____ |

Legal Name of Organization _____

IRS Tax Identification Number _____

Year Organization Established _____

Has the organization received and attached a favorable IRS Tax Exemption Ruling Letter for 501(c)(3) Status? Yes ___ No ___

Financial recapitulation as of Fiscal Year Ended _____

Total Assets	\$	_____
Total Debt	\$	_____
Total Income	\$	_____
Total Expenses	\$	_____
Total Endowment	\$	_____

Sources of Revenue

Board Members	\$	_____
% Who gave _____		
Private Contributions	\$	_____
United Way	\$	_____
Corporations/Business	\$	_____
Foundation Grants	\$	_____
Special Events/Fund-raisers	\$	_____
Other	\$	_____

Name of Auditors/Accountants _____

Name of Primary Financial Institution _____

Name of Investment Adviser _____

List of Officers and Board of Directors:

This information in this application has been completed to the best of our knowledge and is accurate on behalf of the organization as represented. The funds, if awarded, shall be used in accordance with the terms of this application.

SIGNED: _____

TITLE: _____

DATE: _____

PLEASE INCLUDE THE FOLLOWING WITH THE COMPLETED APPLICATION:

- A. Original Application.
- B. Your cover letter signed by your Executive Director, Chairman or authorized officer of your organization.
- C. One copy of your most recent audited Annual Financial Statement.
- D. One copy of your IRS Ruling Letter.

PLEASE DO NOT INCLUDE VIDEO OR SLIDES.

**YOUR ORGANIZATION WILL BE NOTIFIED IN WRITING OF THE
DECISION OF THE BOARD OF DIRECTORS.**

**IF YOU HAVE ANY QUESTIONS REGARDING THE PREPARATION AND
COMPLETION OF THIS APPLICATION, PLEASE CONTACT JORGE
CANSECO AT 210-581-1050 OR VIA EMAIL JECANSECO@SBCGLOBAL.NET.**

APPLICATIONS ARE DUE BY APRIL 30TH

**PLEASE SCAN THE COMPLETED APPLICATION AND ITS
ATTACHMENTS IN PDF FORMAT AND SEND VIA EMAIL TO:
JECANSECO@SBCGLOBAL.NET**

PLEASE DO NOT SEND A HARD COPY