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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 NOV 1, 2010, and ending OCT 31, 2011

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 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) 4131 Spicewood Springs Road	Room/suite A-1	B Telephone number 512-346-7490
City or town, state, and ZIP code Austin, TX 78759		C If exemption application is pending, check here ☐
H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 109855755. (Part I, column (d) must be on cash basis.)	J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

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)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check ☒ if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		5723.	5723.		
4 Dividends and interest from securities		2112322.	2346099.		
5a Gross rents		55861.	55861.		
b Net rental income or (loss) 47032.					
6a Net gain or (loss) from sale of assets not on line 10		4504875.			
b Gross sales price for all assets on line 6a 27058100.					
7 Capital gain net income (from Part IV, line 2)			4119363.		
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 Stmt 1		344276.	344276.		
12 Total. Add lines 1 through 11		7023057.	6871322.		
13 Compensation of officers, directors, trustees, etc		414300.	22257.		392043.
14 Other employee salaries and wages					
15 Pension plans, employee benefits		36712.	1837.		34875.
16a Other salaries		31895.	0.		31895.
b Accounting fees					
c Other professional fees		300602.	285640.		14962.
17 Interest					
18 Taxes Stmt 4		201364.	44483.		17030.
19 Depreciation and depletion Stmt 5		7691.	440.		
20 Occupancy		27404.	1606.		25799.
21 Travel, conferences, and meetings		92186.	19654.		69170.
22 Printing and publications		2437.	1274.		1163.
23 Other expenses Stmt 6		23656.	5186.		21758.
24 Total operating and administrative expenses. Add lines 13 through 23		1138247.	382377.		608695.
25 Contributions, gifts, grants paid Stmt 7A		3846000.			3846000.
26 Total expenses and disbursements. Add lines 24 and 25		4984247.	382377.		4454695.
27 Subtract line 26 from line 12		2038810.			
a Excess of revenue over expenses and disbursements			6488945.		
b Net investment income (if negative, enter -0-)					
c Adjusted net income (if negative, enter -0-)				N/A	

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Operating and Administrative Expenses

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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	6493486.	10202046.	10202046.
	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 Stmt 8	0.	997676.	1101693.
	b Investments - corporate stock Stmt 9	68094227.	65997545.	79118787.
	c Investments - corporate bonds Stmt 10	16525996.	15962942.	17697178.
	11 Investments - land, buildings, and equipment basis ▶	391388.		
Less: accumulated depreciation ▶	391388.	391388.	375145.	
12 Investments - mortgage loans				
13 Investments - other Stmt 12	327185.	327185.	1033908.	
14 Land, buildings, and equipment: basis ▶	261189.			
Less: accumulated depreciation Stmt 13 ▶	173852.	95027.	87337.	
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers)	91927309.	93966119.	109855755.	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable Stmt 7B	1475000.	1197500.	
	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)	1475000.	1197500.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund	57555853.	57555853.	
	29 Retained earnings, accumulated income, endowment, or other funds	32896456.	35212766.	
	30 Total net assets or fund balances	90452309.	92768619.	
31 Total liabilities and net assets/fund balances	91927309.	93966119.		

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	90452309.
2 Enter amount from Part I, line 27a	2	2038810.
3 Other increases not included in line 2 (itemize) ▶ Decrease in grants payable	3	277500.
4 Add lines 1, 2, and 3	4	92768619.
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	92768619.

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 See 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 27058100.		22938737.	4119363.
b			
c			
d			
e			

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a			4119363.
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	4119363.
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))
2009	5278311.	103679750.	.050910
2008	6554778.	93799707.	.069881
2007	6434032.	132647199.	.048505
2006	6791852.	144259870.	.047081
2005	6370170.	132951335.	.047914

2 Total of line 1, column (d)	2	.264291
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	.052858
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	111899814.
5 Multiply line 4 by line 3	5	5914800.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	64889.
7 Add lines 5 and 6	7	5979689.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions.	8	4454695.

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

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b		1	129779.
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	129779.
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	129779.
6 Credits/Payments:			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	169869.	
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	169869.	
8 Enter any penalty for underpayment of estimated tax Check here ☒ if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	40090.	
11 Enter the amount of line 10 to be Credited to 2011 estimated tax ☐ Refunded ☐	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		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 2010 or the taxable year beginning in 2010 (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

Form 990-PF (2010)

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 N/A	13	X	
14	The books are in care of Effie and Wofford Cain Foundation Telephone no. 512-346-7490 Located at 4131 Spicewood Springs Road, Ste. A-1, Austin, TX ZIP+4 78759			
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?	☐ 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 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here		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 2010?		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? If "Yes," list the years	☐ Yes ☒ No	
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)	N/A	
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 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.)	N/A	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		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?		X

Form 990-PF (2010)

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

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

X

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 Stmt. 15		414300.	36712.	

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

Form 990-PF (2010)

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
Smith Asset Management - 200 Crescent Court, Suite 850, Dallas, TX 75201	Inv. Management	105105.
Wellington Asset Management 75 State Street, Boston, MA 02109	Inv. Management	63161.
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 None	
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 None	
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3	0.

Form 990-PF (2010)

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	103515924.
b	Average of monthly cash balances	1b	8650067.
c	Fair market value of all other assets	1c	1437881.
d	Total (add lines 1a, b, and c)	1d	113603872.
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	113603872.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	1704058.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	111899814.
6	Minimum investment return. Enter 5% of line 5	6	5594991.

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	5594991.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	129779.
b	Income tax for 2010 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	129779.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	5465212.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	5465212.
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	5465212.

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	4454695.
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	4454695.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	4454695.

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

Form 990-PF (2010)

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				5465212.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			4372251.	
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: ▶ \$ 4454695.				
a Applied to 2009, but not more than line 2a			4372251.	
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				82444.
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 instructions			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				5382768.
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				

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 Stmt. 16

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)				
a Paid during the year Stmt 7A				
Total			▶ 3a	3846000.
b Approved for future payment Stmt 7B				
Total			▶ 3b	1197500.

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		X
	(2) Other assets		X
b	Other transactions:		
	(1) Sales of assets to a noncharitable exempt organization		X
	(2) Purchases of assets from a noncharitable exempt organization		X
	(3) Rental of facilities, equipment, or other assets		X
	(4) Reimbursement arrangements		X
	(5) Loans or loan guarantees		X
	(6) Performance of services or membership or fundraising solicitations		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees		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		

Sign Here ▶	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.				
	 Signature of officer or trustee		3-15-12 Date		Executive Director Title
Paid Preparer Use Only	Prnt/Type preparer's name		Preparer's signature		Date
					Check ☐ if self-employed
					PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no

Statement I

Part I, Line 11 - Other Income:

Description	Column A	Column B
	Balance Per Books	Investment Income
Oil & Gas Royalty Income	312,318	312,318
Shareholders' litigation settlement	31,958	31,958
Total Other Income	344,276	344,276

Statement 2

Payee	Service	Column A Balance Per Books	Column B Related to Investment Income	Column D Disbursed for Charitable Purpose
Part I, Line 16a - Legal Fees:				
Kuperman, Orr & Albers, PC	Legal advice - Property	13,050	0	13,050
Brorby, Crozier & Dobie, PC - fees	Legal and tax advice - Corporate	18,845	0	18,845
Total Legal		31,895	0	31,895

Statement 3

Part I, Line 16c - Other Professional Fees:

Smith Asset Management	Investment management	105,105	105,105	0
Wellington Management	Investment management	63,161	63,161	0
Clearbrook Investment Consulting	Investment consulting	47,845	47,845	0
Westwood	Investment management	31,371	31,371	0
JP Morgan Chase	Custodial management	20,229	20,229	0
Standish Mellon	Investment management	16,060	16,060	0
Goldman Sachs Yacktmann	Investment management	1,869	1,869	0
Austin Valuation Consultants	Property valuation services	5,500	0	5,500
Granite House	Record Retention	3,900	0	3,900
Frost National Bank	Plan sponsor for 401(k)	2,800	0	2,800
ADP	Payroll service fees	1,985	0	1,985
Maxwell, Locke & Ritter	Accounting consulting	280	0	280
Two Guys Moving	Moving services	220	0	220
Texas ProTax Austin	Property valuation services	177	0	177
JMD Consulting	Computer consulting	100	0	100
Total Other Professional Fees		300,602	285,640	14,962

Statement 4

Part I, line 18 - Taxes:

Description	Column A	Column B	Column D	Other
	Balance Per Books	Related to Investment Income	Disbursed for Charitable Purposes	
Payroll Taxes	17,600	850	16,750	
Ad Valorem Property Taxes	25,414	25,414	0	
Oil & Gas Production Tax	13,057	13,057	0	
Personal Property Taxes	293	13	280	
Foreign Dividend Taxes (K-1s)	0	5,149	0	
Excise Tax	145,000	0	0	145,000
Total	201,364	44,483	17,030	145,000

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

Statement 5

Part I, Line 19 - Depreciation and Depletion:

	Date Acquired	Cost	Recovery Period	Method Used	Rate	Accum. as of 10/31/10	-----Current Expense-----		Other	Disposed	Accum. as of 10/31/11
							Column A	Column B			
							Balance Per Books	Related to Inv. Income			
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%	3,635	280	0	280	0	3,915
Office Furn. & Fixtures	2008	750	7 Yrs	S.L.	14%	267	107	5	102	0	374
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	0	5 Yrs	S.L.	0%	850	0	0	0	850	0
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%	1,899	543	9	534	0	2,442
Office Equipment	2008	935	5 Yrs	S.L.	20%	467	187	8	179	0	654
Office Equipment	2010	889	5 Yrs	S.L.	10%	89	178	8	169	0	267
Data Processing Equipment	1999	1,188	5 Yrs	S.L.	0%	1,188	0	0	0	0	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%	7,713	2,204	36	2,168	0	9,917
Data Processing Equipment	2010	2,698	5 Yrs	S.L.	10%	270	540	43	497	0	809
Office Condo - Building	1992	115,091	31 5 Yrs	S.L.	3% *	68,049	3,653	331	3,322	0	71,702
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		221,781				167,011	7,691	440	7,250	850	173,852

Statement 5

Part I, Line 19 - Depreciation and Depletion

	Date Acquired	Cost	Recovery Period	Method Used	Rate	Accum. as of 10/31/10	-----Current Expense-----		Accum. as of 10/31/11
							Column A	Column B	
							Balance Per Books	Related to Inv. Income	Disposed
Oil & Gas Properties	1980	17,418	Life of Reserve	Cost	0	12,043	0	0	0
Total Depletion						12,043	0	0	0
Total Depreciation and Depletion						179,054	7,691	440	850
									185,895

* Annual rate of 3.1746%

F = First year 1/2 annual rate L = Last year 1/2 annual rate

Statement 6

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	580	26	554
Pantry Supplies	757	34	723
Data Processing Supplies	4,206	188	4,019
Property & Liability Insurance	13,137	586	12,551
Investment Property & Liability Insurance	928	928	0
Membership Dues	2,803	22	2,782
Direct Charitable	189	0	189
Miscellaneous	1,055	115	940
Other Deductions (K-1s)	0	3,288	0
Total	23,656	5,186	21,758

Statement 7A Page 1 of 8

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

Activity/Recipient/Address	Status	Purpose	Amount
Human Needs and Services			
Athens Samantans PO Box 350, Athens, TX 75751	Public	Home repairs for poor	15,000
Austin Police Operation Blue Santa 715 E. 8th Street, Austin, TX 78701-3300	Public	General support	5,000
Austin Recovery, Inc. 8402 Cross Park Drive, Austin, TX 78754	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
CASA of Trinity Valley PO Box 2259, Athens, TX 75751	Public	Program expenses	10,000
Center for Child Protection 8509 FM 969, Building 2, Austin, TX 78724	Public	General support	75,000
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
East Texas Crisis Center PO Box 7060, Tyler, TX 75711	Public	General support	2,500
Health Alliance for Austin Musicians PO Box 301496, Austin, TX 78703-0025	Public	Memorial gift	100,000
Henderson County Food Pantry 715 E. Corsicana, Athens, TX 75751	Public	Food and nutrition	25,000
Henderson County United Way PO Box 1435, Athens, TX 75751	Public	General support	7,500
La Pasadita 4603 Highland Terrace, Austin, TX 78731-5542	Public	General support	2,000
Levitt and Quinn Family Law Center 1557 Beverly Blvd , Los Angeles, CA 90026	Public	General support	2,500
Make-A-Wish Foundation - Central & South Texas 2224 Walsh Tarlton Lane, Suite 200, Austin, TX 78746	Public	Program expenses	5,000
Make-A-Wish Foundation - North Texas Northeast Regional Office, 102 N. College, Tyler, TX 75702	Public	Program expenses	11,000
Meals on Wheels Ministries PO Box 5475, Tyler, TX 75712	Public	Food and nutrition	20,000
ROCK Ride On Center for Kids 2050 CR 110, Georgetown, TX 78626	Public	Program expenses	500

Statement 7A Page 2 of 8

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

Activity/Recipient/Address	Status	Purpose	Amount
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	40,000
Salvation Army-Austin 501 E. 8th Street, Austin, TX 78701	Public	Memorial gift	1,000
SIMS Foundation PO Box 2152, Austin, TX 78768-2152	Public	General support	2,500
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
Total Human Needs and Services			394,000
Public and Community Benefit			
Austin Community Foundation PO Box 5159, Austin, TX 78763	Public	Program expenses	7,500
Battleship Texas Foundation 908 Town & Country Blvd , #120, Houston, TX 77024-2208	Public	Program expenses	50,000
Boy Scouts of America, Capitol Area 7540 Ed Bluestein Blvd., Austin, TX 78723-2399	Public	Program expenses	17,000
Capital of Texas Public Telecommunications Council 2504-B Whittis, Austin, TX 78705	Public	Underwrite children's programs on PBS television	10,000
Capitol of Texas Vietnam Veterans Monument 111 Congress Avenue, Austin, TX 78701-4050	Public	Program expenses	10,000
Children's Crisis Prevention Network 7479 Hwy. 19 S, Athens, TX 75751	Public	General support	4,000
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
Henderson County Historical Society 217 N Praireville, Athens, TX 75751	Public	Program expenses	2,000
Henderson County Humane Society PO Box 162, Athens, TX 75751	Public	Program expenses	5,000
Keep Athens Beautiful 203 N. Praireville, Athens, TX 75751	Public	Beautification programs	5,000

Statement 7A Page 3 of 8

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

Activity/Recipient/Address	Status	Purpose	Amount
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			132,500
Cultural Institutions			
Facilities & Equipment			
East Texas Arboretum & Botanical Society 1601 Patterson Road, Athens, TX 75751	Public	Facility enhancements	66,500
Total Facilities & Equipment			66,500
Cultural Institutions			
Program Presentation and Support			
ASCAP Foundation One Lincoln Plaza, New York, NY 10023-7142	Public	Living Archive/Songwriter workshop	58,000
Austin Film Festival 1801 Salina Street, Austin, TX 78702	Public	General support	20,000
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 Heritage Songwriters Association 209 E. 6th Street, #300, Austin, TX 78701	Public	General support	10,000
Texas Music Office PO Box 13246, Austin, TX 78711	Public	Program expenses	20,000
University of Texas at Austin 2400 Inner Campus Drive, Austin, TX 78712	Public	Harry Ransom Humanities Center	150,000
Total Cultural Institutions			279,000

Statement 7A Page 4 of 8

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

Activity/Recipient/Address	Status	Purpose	Amount
Scientific and Medical Institutions Research and Treatment			
Alzheimer's Association of Greater Austin 3429 Executive Center, Austin, TX 78731	Public	General support	15,000
Children's Burn Foundation 4929 Van Nuys Blvd., Sherman Oaks, CA 91403	Public	General support	20,000
Children's Cancer Fund of Dallas 2900 Live Oak, Dallas, TX 75204	Public	General support	15,000
CureDuchenne 3800 N Lamar, Suite 138, Austin, TX 78756	Public	General support	1,000
Daughters of Charity of St. Vincent de Paul 1201 West 38th Street, Austin, TX 78705	Public	General support	37,500
Daughters of Charity of St. Vincent de Paul 1201 West 38th Street, Austin, TX 78705	Public	Memorial nursing scholarship	25,000
Disciples Clinic of Athens 604 York Street, Austin, TX 75751	Public	General support	35,000
East Texas Medical Center 2000 S. Palestine, Athens, TX 75751	Public	Hospital program expenses	3,000
MD Anderson Cancer Center 1515 Holcombe Blvd., Houston, TX 77030	Public	Alopecia research	25,000
Texas Scottish Rite Hospital 2222 Welborn Street, Dallas, TX 75219	Public	Scoliosis and hip disorders research	26,000
Zale Lipshy University Hospital 5151 Harry Hines Blvd., Dallas, TX 75235	Public	Hospital program expenses	15,000
Total Research and Treatment			217,500
Scientific and Medical Institutions Facilities & Equipment			
Providence Health & Services Foundation 18321 Clark Street, Tarzana, CA 91356	Public	Cardiac catheterization lab	10,000
Daughters of Charity of St. Vincent de Paul 1201 West 38th Street, Austin, TX 78705	Public	Tranquility Garden	4,000
Total Facilities & Equipment			14,000

Statement 7A Page 5 of 8

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

Activity/Recipient/Address	Status	Purpose	Amount
Educational Institutions			
Scholarships and Awards			
Athens Independent School District 104 Hawn Street, Athens, TX 75751	Public	Scholarships	1,500
Baylor University One Bear Place #97026, Waco, TX 76798-7026	Public	Memorial scholarship	1,000
Brenau University 500 Washington Street SE, Gainesville, GA 30501	Public	Scholarships	10,000
Ex-Students' Association of UT 2110 San Jacinto Blvd., Austin, TX 78712	Public	Scholarships	30,000
Ex-Students' Association of UT 2110 San Jacinto Blvd., Austin, TX 78712	Public	Scholarships/facility enhancements	750,000
Grammy Foundation 3402 Pico Blvd., Santa Monica, CA 90405	Public	Scholarships	7,500
Kappa Alpha Order Educational Foundation PO Box 1865, Lexington, VA 24450	Public	Scholarships	3,000
Congressional Medal of Honor Foundation 4835 LBJ Freeway, #650, Dallas, TX 75244	Public	Scholarships	10,000
National Football Foundation 21st at San Jacinto, Bellmont Hall, Austin, TX 78705	Public	Scholarships	12,000
North American Folk Music and Dance Alliance 5105 S. Main Street, Memphis, TN 38103	Public	Scholarships	10,000
Texas A&M Foundation 1501 Texas Avenue, South, College Station, TX 77840	Public	Scholarships	50,000
Trinity Valley Community College 100 Cardinal Drive, Athens, TX 75751	Public	Nursing scholarships	5,000
University of Texas at Austin 2400 Inner Campus Drive, Austin, TX 78712	Public	Endowed scholarship	20,000
University of Texas at Austin 2400 Inner Campus Drive, Austin, TX 78712	Public	Memorial scholarships	75,000
Vistation Academy of St. Louis County 3020 N. Ballas Road, St. Louis, MO 63131	Public	Scholarships	20,000
Total Scholarships and Awards			1,005,000

Statement 7A Page 6 of 8

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

Activity/Recipient/Address	Status	Purpose	Amount
Educational Institutions			
Facilities and Equipment			
St. Andrew's Episcopal School 1112 West 35th Street, Austin, TX 78705	Public	Facility enhancements	837,500
Total Facilities and Equipment			837,500
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	6,000
Athens Public Education Foundation PO Box 2857, Athens, TX 75751	Public	Program expenses	5,000
Hockaday School 11600 Welch Road, Dallas, TX 75229	Public	Program expenses	7,000
University of Texas at Austin System 601 Colorado Street, Austin, TX 78701-2982	Public	Program expenses	13,000
University of Texas at Austin 2400 Inner Campus Drive, Austin, TX 78712	Public	Program expenses	6,000
Total Educational Programs			47,000
Educational Institutions			
Special Programs			
California State University, Northridge 18111 Nordhoff Street, Northridge, CA 91330	Public	Program expenses	3,000
National Guard Association Texas Educational Foundation PO Box 10045, Austin, TX 78766	Public	Program expenses	25,000
Plattsburgh College Foundation 101 Broad Street, Hawkins Hall Room 107, Plattsburgh, NY 12901	Public	Memorial gift	2,500
Rise School of Austin 4220 Monterey Oaks Blvd., Austin, TX 78749	Public	Program expenses	27,500
University of Texas at Austin 2400 Inner Campus Drive, Austin, TX 78712	Public	Program expenses	39,500

Statement 7A Page 7 of 8

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

Activity/Recipient/Address	Status	Purpose	Amount
University of Texas at Austin 2400 Inner Campus Drive, Austin, TX 78712	Public	Memorial gift	5,000
University of Texas at Austin System 601 Colorado Street, Austin, TX 78701-2982	Public	Endowment for Medical School	527,500
Total Special Programs			630,000
Religious Institutions			
Religious Programs and Projects			
Fellowship of Christian Athletes 1011 E. 53 1/2 Street, Suite 200, Austin, TX 78751	Public	Program expenses	10,000
First Christian Church 113 E. Crawford Street, Palestine, TX 75801-2804	Public	Memorial gift	2,500
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	25,000
First United Methodist Church 1928 Ross Avenue, Dallas, TX 75201	Public	Memorial gift	1,000
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	1,000
Ministry of Challenge PO Box 6189, Austin, TX 78762-6189	Public	Program expenses	7,500
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
Park Cities Presbyterian Church 4124 Oak Lawn Avenue, Dallas, TX 75219	Public	Memorial gift	1,000
Presbyterian Church of Lake Travis 15000 Hamilton Pool Road, Austin, TX 78738	Public	Program expenses	3,500
Signal Mountain Presbyterian Church 612 James Blvd., Signal Mountain, TN 37377	Public	Memorial gift	10,000
Tarrytown United Methodist Church 2601 Exposition Blvd., Austin, TX 78703	Public	Memorial gifts	2,000

Statement 7A Page 8 of 8

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

Activity/Recipient/Address	Status	Purpose	Amount
Trinity Baptist Church 319 E. Mulberry, San Antonio, TX 78212	Public	Memorial gift	1,000
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	90,500
Westminster Presbyterian Church 3208 Exposition Blvd., Austin, TX 78763	Public	Memorial gift	1,000
Young Life - Athens PO Box 520, Colorado Springs, CO 80901-0520	Public	Program expenses	5,000
Total Religious Programs and Projects			211,000
Religious Institutions Facilities and Equipment			
Westminster Presbyterian Church 3208 Exposition Blvd., Austin, TX 78763	Public	Church refurbishment	12,000
Total Religious Facilities and Equipment			12,000
Total Contributions			3,846,000

Statement 7B

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	725,000
University of Texas at Austin System 601 Colorado Street, Austin, TX 78701-2982	Public	Endowment for Medical School	472,500
Total future payments			1,197,500

Statement 8

Part II, Line 10a - Investments - US & State Government Obligations:

Description	Beginning of Tax Year			End of Tax Year	
	Column A Book Value	Face Value	Column B Book Value	Column C Fair Market Value	
GS TIPS	0	NA	997,676	1,101,693	
Total US & State Government Obligations	0	0	997,676	1,101,693	

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
3M Company	0	390	29,410	30,818
Abbott Laboratories	0	867	44,937	46,705
Aetna Inc.	0	10,000	444,588	397,600
Air Products & Chemicals	0	166	13,672	14,299
American Express Company	365,054	9,800	350,903	496,076
Ansys Inc.	0	8,300	406,435	451,188
Apple	162,070	1,250	150,065	505,975
Arrow Electronics	409,983	0	0	0
Autoliv	315,045	0	0	0
Automatic Data Processing	0	291	14,667	15,228
Baxter International	0	535	29,784	29,414
Bed, Bath & Beyond	388,291	7,550	313,910	466,892
BMC Software	299,770	8,950	293,296	311,102
Capital One Financial Corporation	396,808	8,725	338,596	398,384
Celgene Corporation	376,330	6,000	379,516	388,980
CF Industries Holdings	0	2,900	353,383	470,583
Check Point Software Technologies LTD	0	7,900	348,354	455,277
Chevron Corporation	0	4,667	478,908	490,268
Chubb Corporation	0	480	29,087	32,184
Cimarex Energy Company	398,953	0	0	0
Coca Cola Enterprises	0	15,700	446,727	421,074
Colgate Palmolive Company	0	175	15,717	15,544
ConocoPhillips	0	210	14,033	14,627

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
Cooper Companies	0	6,300	436,700	436,590
Corn Products International	0	9,100	444,781	441,350
Cullen Frost Bankers	1,017,833	100,036	925,333	4,905,765
Cummins	0	4,200	424,345	417,606
Dentsply International	0	11,900	399,891	439,824
East West Bancorp	0	19,100	441,795	371,877
Eaton Corporation	353,541	0	0	0
Endo Pharmaceuticals Holdings	322,877	12,725	367,031	411,145
Energizer Holdings	376,773	0	0	0
Exelon Corporation	0	9,300	375,373	412,827
Express Scripts, Class A	88,811	0	0	0
ExxonMobil Corporation	183,274	5,790	224,729	452,141
Franklin Resource	329,818	0	0	0
Freeport-McMoran Copper & Gold, Class B	268,068	0	0	0
General Dynamics Corporation	0	490	29,073	31,453
General Mills	0	380	14,938	14,641
Global Payments	0	9,100	402,757	417,872
Halliburton Company	378,128	0	0	0
Hansen Natural Corporation	378,167	0	0	0
Helmerich & Payne	396,110	7,450	326,080	396,191
Hewlett-Packard Company	254,234	0	0	0
Home Depot	0	12,000	391,123	429,600
Honeywell International	0	281	13,377	14,724

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
Illinois Tool Works	343,669	268	12,275	13,033
Intel Corporation	0	2,026	46,037	49,718
Intercontinental Exchange	0	3,600	458,239	467,568
International Business Machines Corporation	266,517	2,275	210,896	420,033
Jabil Circuit	423,929	0	0	0
Johnson & Johnson	0	708	45,171	45,588
JP Morgan Chase & Company	518,544	14,254	526,895	495,469
Kellogg Company	0	271	14,779	14,691
Kimberly-Clark Corporation	0	420	29,801	29,278
Limited Brands	373,768	0	0	0
Lockheed Martin Corporation	0	593	44,234	45,009
Lubrizol Corporation	338,685	0	0	0
Manpower Wisconsin	393,352	7,000	373,260	301,980
Mattel	362,715	17,750	385,499	501,260
McDonalds Corporation	0	524	46,722	48,653
McKesson Corporation	350,356	5,675	307,069	462,796
MetroPCS Communications	410,791	0	0	0
Microchip Technology	0	439	14,579	15,883
Microsoft Corporation	0	1,105	29,054	29,426
Motorola Solutions	0	9,300	370,000	436,263
NetApp	329,982	0	0	0
Nextera Energy	0	815	44,288	45,966
Noble Energy	0	4,600	447,731	410,964

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
Whole Foods Market	305,022	7,475	539,097
Chase Multi-Strategy Hedge Fund (Class C-A Series)	4,250,000	0	5,871,683
GS Global Equity Long/Short Partners PLC A Series I	3,750,000	0	4,566,522
GS Global Equity Long/Short Partners PLC A Series 54	500,000	0	490,559
Pimco All Asset Fund	2,070,941	480,096	5,837,969
Templeton Foreign Equity Series	10,750,654	549,129	10,340,106
Vanguard Institutional Index Fund	11,171,310	90,808	10,424,778
Vanguard Small-Cap Index Fund	3,500,000	126,619	3,868,207
SPDR Gold Trust	297,325	3,400	568,956
Yacktman Fund (Brokerage)	0	28,074	489,051
Yacktman Dynamic Equity (Goldman Sachs)	0	NA	457,192
Wellington Inflation Hedges	5,493,910	380,117	5,910,814
Westwood	3,580,656	18,054	3,890,085
Cohen & Steers Diversified Value Fund	3,537,869	0	0
Russell 1000 Value Index Fund	3,414,362	0	0
Total Corporate Stock	68,094,227	2,199,378	79,118,787

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
Pimco Global Bond Fund	0	43,290	500,000	501,732
CF CIS Government/Credit Index Fund	7,994,709	NA	7,500,674	8,367,393
CF CIS Securitized Index Fund	4,645,692	NA	4,242,429	4,487,883
GS Corporate Credit Investment Fund	2,887,918	NA	3,719,839	4,340,171
GS TIPS	997,676	NA	0	0
Total Corporate Bonds	16,525,996	43,290	15,962,942	17,697,178
Total Securities	84,620,222		82,958,164	97,917,658

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 Accum. Depletion	Column C Book Value Fair Market Value
Real Estate - Block 124, Dallas, Texas	391,388	391,388		0	375,145
Total	391,388	391,388		0	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 Accum. Depletion	Column C Book Value Fair Market Value
Oil & Gas Royalty Interests (Producing)	323,099	323,099		12,043	1,029,822
Oil & Gas Royalty Interests (Non-producing)	4,086	4,086		0	4,086
Total	327,185	327,185		12,043	1,033,908

See Statement 5 for analysis of Accumulated Depletion.

Statement 13

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

Description	Basis at 10/31/11	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	8,179	2,081	7,005	1,174	1,520
Furniture & Fixtures	41,070	763	40,694	376	4,147
Data Processing Equipment	15,105	5,734	12,114	2,991	1,424
Office Refurbishment	42,336	0	42,336	0	42,336
Office Condo - Building	115,091	47,042	71,702	43,389	173,333
Subtotal	221,782	55,620	173,852	47,930	222,761
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	261,189	95,027	173,852	87,337	326,998

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							
401	CF CIS Securitized Index Fund	P	30-Jun-08	29-Oct-10	23,811,849	20,067,158	3,744,691
254	CF CIS Securitized Index Fund	P	30-Jun-08	30-Nov-10	40,381	38,045	2,335
733	CF CIS Securitized Index Fund	P	30-Jun-08	31-Dec-10	25,436	24,101	1,335
126	CF CIS Securitized Index Fund	P	30-Jun-08	31-Jan-11	72,802	69,591	3,210
198	CF CIS Securitized Index Fund	P	30-Jun-08	31-Jan-11	12,483	11,962	520
423	CF CIS Securitized Index Fund	P	30-Jun-08	28-Feb-11	19,596	18,801	795
3,942	CF CIS Securitized Index Fund	P	30-Jun-08	15-Apr-11	41,902	40,176	1,726
215	CF CIS Securitized Index Fund	P	30-Jun-08	31-May-11	394,949	374,611	20,338
135	CF CIS Securitized Index Fund	P	30-Jun-08	15-Jul-11	21,547	20,440	1,107
454	CF CIS Securitized Index Fund	P	30-Jun-08	29-Jul-11	13,554	12,834	720
44	CF CIS Securitized Index Fund	P	30-Jun-08	31-Aug-11	45,904	43,180	2,724
242	CF CIS Securitized Index Fund	P	30-Jun-08	15-Sep-11	4,456	4,185	271
84	CF CIS Government/Credit Index Fund	P	30-Jun-08	30-Sep-11	24,423	23,016	1,406
697	CF CIS Government/Credit Index Fund	P	30-Jun-08	15-Nov-10	9,380	8,639	741
173	CF CIS Government/Credit Index Fund	P	30-Jun-08	15-Dec-10	76,064	71,704	4,360
242	CF CIS Government/Credit Index Fund	P	30-Jun-08	15-Feb-11	18,850	17,810	1,040
22	CF CIS Government/Credit Index Fund	P	30-Jun-08	15-Mar-11	26,702	24,917	1,785
248	CF CIS Government/Credit Index Fund	P	30-Jun-08	31-Mar-11	2,412	2,265	146
226	CF CIS Government/Credit Index Fund	P	30-Jun-08	29-Apr-11	27,444	25,543	1,900
5,406	CF CIS Government/Credit Index Fund	P	30-Jun-08	13-May-11	25,149	23,277	1,872
293	CF CIS Government/Credit Index Fund	P	30-Jun-08	31-May-11	605,094	556,805	48,289
10	CF CIS Government/Credit Index Fund	P	30-Jun-08	15-Jun-11	32,842	30,178	2,664
243	CF CIS Government/Credit Index Fund	P	30-Jun-08	30-Jun-11	1,110	1,030	80
274	CF CIS Government/Credit Index Fund	P	30-Jun-08	15-Aug-11	27,765	25,038	2,727
923	Wellington Inflation Hedge	P	Various	01-Nov-10	31,231	28,261	2,970
953	Wellington Inflation Hedge	P	Various	01-Feb-11	13,851	11,228	2,624
977	Wellington Inflation Hedge	P	Various	02-May-11	15,672	11,592	4,079
73,486	Wellington Inflation Hedge	P	Various	01-Jun-11	17,178	11,908	5,271
978	Wellington Inflation Hedge	P	Various	01-Aug-11	1,250,000	896,299	353,701
0	Wellington Inflation Hedge (K-1 adjustments)	x	Various	31-Oct-11	16,460	11,936	4,523
0	Westwood Large Cap Value Equity Fund	P	Various	Various	0	195,051	(195,051)
0	Westwood Large Cap Value Equity Fund (K-1 adjustments)	x	Various	31-Oct-11	331,616	46,693	284,923
					0	190,461	(190,461)
Total Fixed Income					3,246,251	2,871,579	374,672
Total Publicly Traded Securities & Fixed Income					27,058,100	22,938,737	4,119,363

* (P) Purchase, (S) Spin-off/Split, (EX) Exchange, (M) Merge, (NC) Name Change, (D) Dividend

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 3500 Jefferson Street, Suite 315 Austin, Texas 78731	Director, President 35.20 Hours per week	30,000	0	0
John C. Cain 102 W. Tyler Athens, Texas 75751	Director, Vice President 15.60 Hours per week	30,000	0	0
Charmaine D. McGill 4131 Spicewood Springs, #A-1 Austin, TX 78759	Director, Vice President, Grants Administrator 31.38 Hours per week	76,500	6,119	0
F. Wofford Denius 4551 Glencoe Avenue, Suite 300 Marina del Rey, CA 90292-7925	Director, Vice President 16.50 Hours per week	30,000	0	0
Lynn Fowler 4131 Spicewood Springs, #A-1 Austin, Texas 78759	Executive Director, Secretary & Treasurer 44.92 Hours per week	186,200	22,659	0
Mary Bratz 4131 Spicewood Springs, #A-1 Austin, Texas 78759	Business Manager, Assistant Secretary 39.85 Hours per week	61,600	7,934	0
		414,300	36,712	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.