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**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation****2011**

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

For calendar year 2011 or tax year beginning **NOV 1, 2011**, and ending **OCT 31, 2012**

Name of foundation **Effie and Wofford Cain Foundation**

Number and street (or P O box number if mail is not delivered to street address) **4131 Spicewood Springs Road**

City or town, state, and ZIP code **Austin, TX 78759**

Room/suite **A-1**

A Employer identification number **75-6030774**

B Telephone number **512-346-7490**

C If exemption application is pending, check here ☐

D 1. Foreign organizations, check here ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ☐

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

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

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

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

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) **\$ 113302522.**

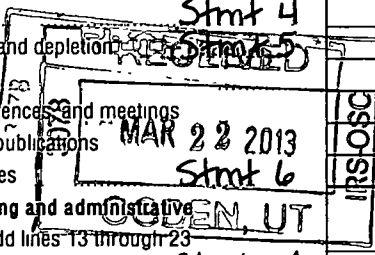
J Accounting method: ☒ Cash ☐ Accrual
☐ Other (specify) _____

(Part I, column (d) must be on cash basis)

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(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 ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	4445.	4445.		
	4 Dividends and interest from securities	2152368.	2182233.		
	5a Gross rents	28183.	28183.		
	b Net rental income or (loss) 20673.				
	6a Net gain or (loss) from sale of assets not on line 10	4852766.			
	b Gross sales price for all assets on line 6a 22742563.				
	7 Capital gain net income (from Part IV, line 2)		4986606.		
	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 Stmnt 1	333112.	333112.			
12 Total. Add lines 1 through 11	7370874.	7534579.			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	415383.	21303.		394081.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits	94298.	4553.		89745.
	16a Legal fees Stmnt 2	48511.	3976.		44536.
	b Accounting fees				
	c Other professional fees Stmnt 3	306598.	293082.		13516.
	17 Interest				
	18 Taxes Stmnt 4	140236.	40365.		20092.
	19 Depreciation and depletion Stmnt 5	6187.	421.		
	20 Occupancy	25998.	1476.		24522.
	21 Travel, conferences, and meetings	67826.	23790.		40147.
	22 Printing and publications Stmnt 6	2883.	825.		2058.
	23 Other expenses Stmnt 6	33371.	10940.		31196.
	24 Total operating and administrative expenses. Add lines 13 through 23 Stmnt 7A	1141291.	400731.		659893.
	25 Contributions, gifts, grants paid	4810750.			4810750.
26 Total expenses and disbursements. Add lines 24 and 25	5952041.	400731.		5470643.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	1418833.				
b Net investment income (if negative, enter -0-)		7133848.			
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	10202046.	11026906.	11026906.
	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	997676.	997676.	1110608.
	b Investments - corporate stock Stmt 9	65997545.	64287050.	78540134.
	c Investments - corporate bonds Stmt 10	15962942.	18272100.	20695105.
Liabilities	11 Investments - land, buildings, and equipment basis ▶ 391388.			
	Less accumulated depreciation ▶ Stmt 11	391388.	391388.	375145.
	12 Investments - mortgage loans			
	13 Investments - other Stmt. 12	327185.	327185.	1225287.
	14 Land, buildings, and equipment: basis ▶ 262688.			
	Less accumulated depreciation Stmt 13 ▶ 180040.	87337.	82648.	329337.
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers)	93966119.	95384953.	113302522.
	17 Accounts payable and accrued expenses			
	18 Grants payable Stmt 7B	1197500.	359000.	
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)	1197500.	359000.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐			
	and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒			
	and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	0.	0.	
28 Paid-in or capital surplus, or land, bldg., and equipment fund	57555853.	57555853.		
29 Retained earnings, accumulated income, endowment, or other funds	35212766.	37470100.		
30 Total net assets or fund balances	92768619.	95025953.		
31 Total liabilities and net assets/fund balances	93966119.	95384953.		

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	92768619.
2 Enter amount from Part I, line 27a	2	1418833.
3 Other increases not included in line 2 (itemize) ▶ Decrease in grants payable; rounding	3	838501.
4 Add lines 1, 2, and 3	4	95025953.
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	95025953.

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 Statement 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 22742563.		17755957.	4986606.
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			4986606.
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	4986606.
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))
2010 01/31/2011	4454695.	111899814.	.039810
2009	5278311.	103679750.	.050910
2008	6554778.	93799707.	.069881
2007	6434032.	132647199.	.048505
2006	6791852.	144259870.	.047081

2 Total of line 1, column (d)	2	.256187
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	.051237
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	110519663.
5 Multiply line 4 by line 3	5	5662696.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	71338.
7 Add lines 5 and 6	7	5734034.
8 Enter qualifying distributions from Part XII, line 4	8	5472142.

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b		1	142677.
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	142677.
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	142677.
6 Credits/Payments:			
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	125090.	
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	125090.	
8 Enter any penalty for underpayment of estimated tax. Check here ☒ if Form 2220 is attached	8	270.	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	17857.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11 Enter the amount of line 10 to be: Credited to 2012 estimated tax ☐ Refunded ☒	11		

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
1b 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
1c 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) <u>Texas</u>		
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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	
Website address ► <u>N/A</u>				
14	The books are in care of ► <u>Effie and Wofford Cain Foundation</u> Telephone no. ► <u>512-346-7490</u> Located at ► <u>4131 Spicewood Springs Road, #A-1, Austin, TX</u> ZIP+4 ► <u>78759</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year	15	N/A	
16	At any time during calendar year 2011, 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 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 instructions)? Organizations relying on a current notice regarding disaster assistance check here	1b	X
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? ☐ Yes ☒ No If "Yes," list the years ►		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)	2b	N/A
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ►		
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 2011 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 2011.)	3b	N/A
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?	4b	X

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

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

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

☒

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

N/A

☐ Yes ☐ No

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

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

☐ Yes ☒ No

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

6b

X

If "Yes" to 6b, file Form 8870

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

☐ Yes ☒ No

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

N/A

7b

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Statement 15		415383.	94298.	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
Smith Asset Management - 200 Crescent Court, Suite 850, Dallas, TX 75201	Inv. Management	114760.
Wellington Asset Management 75 State Street, Boston, MA 02109	Inv. Management	52472.

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 (2011)

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	101488100.
b	Average of monthly cash balances	1b	9084533.
c	Fair market value of all other assets	1c	1630071.
d	Total (add lines 1a, b, and c)	1d	112202704.
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	112202704.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	1683041.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	110519663.
6	Minimum investment return. Enter 5% of line 5	6	5525983.

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	5525983.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	142677.
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	142677.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	5383306.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	5383306.
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	5383306.

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	5470643.
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	1499.
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	5472142.
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	5472142.

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 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				5383306.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			5382768.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2011 from Part XII, line 4: ► \$ 5472142.				
a Applied to 2010, but not more than line 2a			5382768.	
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 2011 distributable amount				89374.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2011 (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 2010. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				5293932.
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 2006 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

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 2011, 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)

2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

b 85% of line 2a

c Qualifying distributions from Part XII, line 4 for each year listed

d Amounts included in line 2c not used directly for active conduct of exempt activities

e Qualifying distributions made directly for active conduct of exempt activities.

Subtract line 2d from line 2c

3 Complete 3a, b, or c for the alternative test relied upon:

a "Assets" alternative test - enter:

(1) Value of all assets

(2) Value of assets qualifying under section 4942(j)(3)(B)(i)

b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed

c "Support" alternative test - enter:

(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)

(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)

(3) Largest amount of support from an exempt organization

(4) Gross investment income

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

Wofford and Effie Marie Cain (both deceased)

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:

Stmnt 16

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

Stmnt 16

c Any submission deadlines:

Stmnt 16

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

Stmnt 16

Part XV **Supplementary Information** (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
Statement 7A				4810750.
Total			3a	4810750.
b Approved for future payment				
Statement 7B				359000.
Total			3b	359000.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1 Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f _____					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	4445.	
4 Dividends and interest from securities			14	2152368.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property			16	20673.	
6 Net rental income or (loss) from personal property					
7 Other investment income			14	333112.	
8 Gain or (loss) from sales of assets other than inventory			18	4852766.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
12 Subtotal. Add columns (b), (d), and (e)		0.		7363364.	0.
13 Total. Add line 12, columns (b), (d), and (e)				7363364.	7363364.

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

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

[illegible]

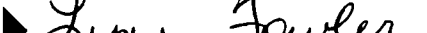
Part XVII	Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations
------------------	--

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

[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, this true, correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge				May the IRS discuss this return with the preparer shown below (see instr.)? ☐ Yes ☐ No
	 Signature of officer or trustee	13.11.13 Date	 Title		
Paid Preparer Use Only	Print/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	331,087	331,087
Shareholders' litigation settlement	2,025	2,025
Total Other Income	333,112	333,112

Statement 2

Payee	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	22,920	0	22,920
Brorby, Crozier & Dobie, PC - fees	20,955	3,976	16,979
Wilkins Finston Law Group LLC	4,637	0	4,637
Total Legal	48,511	3,976	44,536

Statement 3

Part I, Line 16c - Other Professional Fees:

Smith Asset Management	114,760	114,760	0
Wellington Management	52,472	52,472	0
Clearbrook Investment Consulting	42,367	42,367	0
Westwood	33,736	33,736	0
JP Morgan Chase	33,126	33,126	0
Standish Mellon	9,696	9,696	0
Goldman Sachs Yacktmann	1,663	1,663	0
Austin Valuation Consultants	7,000	0	7,000
Clearbrook Investment Consulting	5,263	5,263	0
Frost National Bank	3,050	0	3,050
JMD Consulting	2,819	0	2,819
Maxwell, Locke & Ritter	250	0	250
Carley & McCaw, Inc.	200	0	200
Texas ProTax Austin	197	0	197
Total Other Professional Fees	306,598	293,082	13,516

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	20,781	978	19,803	
Ad Valorem Property Taxes	23,544	23,544	0	
Oil & Gas Production Tax	10,558	10,558	0	
Personal Property Taxes	301	12	289	
Foreign Dividend Taxes	51	51	0	
Foreign Dividend Taxes (K-1s)	0	5,221	0	
Excise Tax	85,000	0	0	85,000
Total	140,236	40,365	20,092	85,000

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

Statement 5

Part I, Line 19 - Depreciation and Depletion:

-----Current Expense-----												
Column A						Column B		Accum.				
Balance Per Books						Related to Inv Income		as of 10/31/12				
Date Acquired						Recovery Period		Method Used		Rate		
Cost						Period		Used		Rate		
Depreciation:						Cost		Method		Rate		
Office Furn. & Fixtures						5 Yrs		S L		0%		
Office Furn. & Fixtures						5 Yrs		S L		0%		
Office Furn. & Fixtures						5 Yrs		S.L.		0%		
Office Furn. & Fixtures						5 Yrs		S L		0%		
Office Furn. & Fixtures						5 Yrs		S L		0%		
Office Furn. & Fixtures						7 Yrs		S L		0%		
Office Furn. & Fixtures						7 Yrs		S L		0%		
Office Furn. & Fixtures						7 Yrs		S.L.		0%		
Office Furn. & Fixtures						7 Yrs		S.L.		0%		
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Office Furn. & Fixtures						7 Yrs		S L		0%		
Office Furn. & Fixtures						7 Yrs		S.L.		0%		
Office Furn. & Fixtures						7 Yrs		S.L.		0%		
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Office Furn. & Fixtures						7 Yrs		S L		0%		
Office Furn. & Fixtures						7 Yrs						

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	2,722	112	2,610
Pantry Supplies	752	31	721
Data Processing Supplies	3,928	162	3,766
Property Repairs	3	3	0
Property & Liability Insurance	12,687	523	12,164
Investment Property & Liability Insurance	1,068	1,068	0
Membership Dues	2,114	11	2,103
Direct Charitable	258	0	258
Miscellaneous	9,839	265	9,574
Other Deductions (K-1s)	0	8,765	0
Total	33,371	10,940	31,196

Statement 7A Page 1 of 7

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

Activity/Recipient/Address	Status	Purpose	Amount
Human Needs and Services			
Athens Samantans			
PO Box 350, Athens, TX 75751	Public	Home repairs for those in need	15,000
Austin Children's Shelter	Public	General support	12,000
4800 Manor Road, Austin, TX 78723			
Austin Police Operation Blue Santa	Public	General support	5,000
715 E. 8th Street, Austin, TX 78701-3300			
Austin Speech Labs	Public	Memorial gift	5,000
7800 Shoal Creek Blvd, Austin, TX 78757			
Burke Foundation	Public	General support	1,500
PO Box 40, Driftwood, TX 78619			
CASA of Trinity Valley	Public	General support	10,000
PO Box 2259, Athens, TX 75751			
Center for Child Protection	Public	General support	10,000
8509 FM 969, Building 2, Austin, TX 78724			
Center for Family Relations	Public	General support	2,000
1818 San Pedro, San Antonio, TX 78212			
Colleagues, The	Public	General support for local charities	2,500
3312 Pico Blvd, Santa Monica, CA 90405			
Greater Austin First Tee	Public	General support	1,000
5501 Ed Bluestein Blvd, Austin, TX 78723			
Henderson County Food Pantry	Public	Food and nutrition support for those in need	25,000
715 E. Corsicana, Athens, TX 75751			
Henderson County United Way	Public	General support	7,500
PO Box 1435, Athens, TX 75751			
LSC Foundation	Public	General support	500
5000 Research Forest Drive, The Woodlands, TX 77381-4356			
Make-A-Wish Foundation - Central & South Texas	Public	General support	6,000
2224 Walsh Tarlton Lane, Suite 200, Austin, TX 78746			
Make-A-Wish Foundation - North Texas	Public	General support	6,000
Northeast Regional Office, 102 N College, Tyler, TX 75702			
Meals on Wheels Ministries	Public	Food and nutrition support for those in need	15,000
PO Box 5475, Tyler, TX 75712			
People's Community Clinic	Public	General support for medical care for those in need	50,500
2909 N. IH-35, Austin, TX 78722			
Ronald McDonald House Charities	Public	General support	2,500
403 E 15th Street, Austin, TX 78701			

Statement 7A Page 2 of 7

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

Activity/Recipient/Address	Status	Purpose	Amount
Salvation Army-Austin 501 E. 8th Street, Austin, TX 78701	Public	General support services for those in need	45,000
St Vincent Citizens Nutrition Program 2131 West Third Street, Los Angeles, CA 90057-0992	Public	Food and nutrition support for those in need	62,500
TPFC Foundation 805 Morningside Drive, San Antonio, TX 78209-5525	Public	General support	5,000
West Austin Care Givers 2601 Exposition Blvd, Austin, TX 78703	Public	General support	5,000
Total Human Needs and Services			294,500
Public and Community Benefit			
Athens Historical Preservation PO Box 350, Athens, TX 75751	Public	Athens Veterans Memorial	25,000
Austin Community Foundation PO Box 5159, Austin, TX 78763	Public	General support for local charities	30,500
Boy Scouts of America, Capitol Area 7540 Ed Bluestein Blvd, Austin, TX 78723-2399	Public	General support	10,000
Capital of Texas Public Telecommunications Council 2504-B Whitis, Austin, TX 78705	Public	Underwrite children's programs on PBS television	7,500
Capitol of Texas Vietnam Veterans Monument 111 Congress Avenue, Austin, TX 78701-4050	Public	General support	5,000
City of Athens, Texas 508 E. Tyler Street, Athens, TX 75751	Public	Fire department & community programs	4,500
Congressional Medal of Honor Foundation 4835 LBJ Freeway, #650, Dallas, TX 75244	Public	General support	10,000
East Texas Arboretum & Botanical Society 1601 Patterson Road, Athens, TX 75751	Public	Henderson County Veterans Memorial	351,000
Greater Austin Crime Commission PO Box 27016, Austin, TX 78755	Public	General support	2,000
Henderson County Historical Society 217 N Prairieville, Athens, TX 75751	Public	General support	4,000
Henderson County Humane Society PO Box 162, Athens, TX 75751	Public	General support	5,000
Keep Athens Beautiful 203 N. Prairieville, Athens, TX 75751	Public	Beautification programs	6,000
KIDFISH Foundation 413 S. Carroll Street, Athens, TX 75751	Public	General support	3,000

Statement 7A Page 3 of 7

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

Activity/Recipient/Address	Status	Purpose	Amount
Public Library Fund 121 S. Praineville, Athens, TX 75751	Public	Purchase books and other materials for library	2,000
YMCA of Metropolitan Dallas 6000 Preston Road, Dallas, TX 75205	Public	General support	1,000
Total Public and Community Benefit			466,500
Cultural Institutions			
Program Presentation and Support			
ASCAP Foundation One Lincoln Plaza, New York, NY 10023-7142	Public	General support for Songwriter Workshop	25,000
Austin Film Festival 1801 Salina Street, Austin, TX 78702	Public	General support	15,000
East Texas Arboretum & Botanical Society 1601 Patterson Road, Athens, TX 75751	Public	General support	10,000
Heritage Society of Austin 500 W 6th Street, Austin, TX 78701	Public	General support	5,000
Lakeland Community Concerts PO Box 912, Athens, TX 75751	Public	General support	1,000
Texas Music Office PO Box 13246, Austin, TX 78711	Public	General support	20,000
Total Cultural Institutions			76,000
Scientific and Medical Institutions			
Research and Treatment			
Alzheimer's Association of Greater Austin 3429 Executive Center, Austin, TX 78731	Public	General support	7,500
American Institute for Cancer Research 1759 R Street, NW, Washington, DC 20009	Public	General support	10,000
Children's Burn Foundation 4929 Van Nuys Blvd , Sherman Oaks, CA 91403	Public	General support	7,500
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

Statement 7A Page 4 of 7

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

Activity/Recipient/Address	Status	Purpose	Amount
Daughters of Charity of St. Vincent de Paul (Seton) 1201 West 38th Street, Austin, TX 78705	Public	General support for community medical initiatives	28,000
East Texas Medical Center 2000 S. Palestine, Athens, TX 75751	Public	General support	3,000
Hospice Austin 4107 Spicewood Springs Road, Suite 100, Austin, TX 78759	Public	General support	2,500
Texas Scottish Rite Hospital 2222 Welborn Street, Dallas, TX 75219	Public	Scoliosis research	25,000
University of Texas System 601 Colorado Street, Austin, TX 78701-2982	Public	Medical school endowments	1,472,500
University of Texas Southwestern Medical Center 5323 Harry Hines Blvd., Dallas, TX 75235	Public	Medical school endowments	345,000
Zale Lipshy University Hospital 5151 Harry Hines Blvd., Dallas, TX 75235	Public	General support	15,000
Total Research and Treatment			1,932,000

Educational Institutions

Scholarships and Awards

Athens High School 708 E. College Street, Athens, TX 75751	Public	Scholarships	5,000
Athens Independent School District 104 Hawn Street, Athens, TX 75751	Public	Scholarships	1,500
Brenau University 500 Washington Street SE, Gainesville, GA 30501	Public	Scholarships	5,000
Kappa Alpha Order Educational Foundation PO Box 1865, Lexington, VA 24450	Public	Scholarships	3,000
National Football Foundation 21st at San Jacinto, Bellmont Hall, Austin, TX 78705	Public	Scholarships	12,000
Southern Methodist University 6425 Boaz Lane, Dallas, TX 75205	Public	Endowed scholarship	50,000
Texas A&M Foundation 1501 Texas Avenue, South, College Station, TX 77840	Public	Endowed scholarships	100,000
Trinity Valley Community College 100 Cardinal Drive, Athens, TX 75751	Public	Scholarships	7,500
University of Texas at Austin 2400 Inner Campus Drive, Austin, TX 78712	Public	Endowed scholarship	23,000

Statement 7A Page 5 of 7

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

Activity/Recipient/Address	Status	Purpose	Amount
University of Texas at Tyler 3900 University Blvd., Tyler, TX 75799	Public	Memorial scholarships	10,000
Vistation Academy of St. Louis County 3020 N. Ballas Road, St. Louis, MO 63131	Public	Scholarships	10,000
Total Scholarships and Awards			227,000
Educational Institutions Facilities and Equipment			
St. Andrew's Episcopal School 1112 West 35th Street, Austin, TX 78705	Public	Chapel and field construction	732,000
University of Texas at Austin 2400 Inner Campus Drive, Austin, TX 78712	Public	Facility refurbishment and enhancements	500,000
Total Facilities and Equipment			1,232,000
Educational Institutions Educational Programs			
Athens High School 708 E College Street, Athens, TX 75751	Public	General support	13,000
Hockaday School 11600 Welch Road, Dallas, TX 75229	Public	General support	2,500
Lake Travis Band Parents 3322 RR 620 South, Austin, TX 78738	Public	General support	3,000
University of Texas at Austin 2400 Inner Campus Drive, Austin, TX 78712	Public	Harry Ransom Center WWI exhibition	150,000
University of Texas at Austin 2400 Inner Campus Drive, Austin, TX 78712	Public	General support	9,000
Total Educational Programs			177,500
Educational Institutions Special Programs			
Ex-Students' Association of UT 2110 San Jacinto Blvd., Austin, TX 78712	Public	General support	2,000
Grammy Foundation 3402 Pico Blvd , Santa Monica, CA 90405	Public	General support	7,500

Statement 7A Page 6 of 7

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

Activity/Recipient/Address	Status	Purpose	Amount
Great Falls High School 411 Sunset Avenue, Great Falls, SC 29055-1135	Public	General support	5,000
National Guard Association Texas Educational Foundation PO Box 10045, Austin, TX 78766	Public	General support	21,500
Rise School of Austin 4220 Monterey Oaks Blvd., Austin, TX 78749	Public	General support	12,500
Southern Methodist University 6425 Boaz Lane, Dallas, TX 75205	Public	General support	10,000
University of Texas at Austin 2400 Inner Campus Drive, Austin, TX 78712	Public	General support for ROTC	27,750
University of Texas at Austin 2400 Inner Campus Drive, Austin, TX 78712	Public	General support for School of Law	1,000
Total Special Programs			87,250

Religious Institutions

Religious Programs and Projects			
Christ Episcopal Church 510 Belknap Place, San Antonio, TX 78212	Public	Memorial gift	3,000
Covenant Presbyterian Church 3003 Northland Drive, Austin, TX 78757	Public	Memorial gift	500
Fellowship of Christian Athletes 1011 E. 53 1/2 Street, Suite 200, Austin, TX 78751	Public	General support	5,000
First Presbyterian Church 306 East Tyler Street, Athens, TX 75751	Public	Christmas benevolence for those in need	20,000
First Presbyterian Church 306 East Tyler Street, Athens, TX 75751	Public	General support	25,000
Good Shepherd Episcopal Church 2206 Exposition Blvd., Austin, TX 78703	Public	Christmas benevolence for those in need	20,000
Good Shepherd Episcopal Church 2206 Exposition Blvd., Austin, TX 78703	Public	Memorial gift	500
Ministry of Healing PO Box 7261, Tyler, TX 75711-7261	Public	General support	10,000
Mt. Dearborn Methodist Church PO Box 236, Great Falls, SC 29055	Public	Christmas benevolence for those in need	5,000
St Andrews Episcopal Church 917 Lamar Street, Fort Worth, TX 76102	Public	Memorial gift	3,000

Statement 7A Page 7 of 7

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

Activity/Recipient/Address	Status	Purpose	Amount
Westminster Presbyterian Church 3208 Exposition Blvd., Austin, TX 78763	Public	Christmas benevolence for those in need	20,000
Westminster Presbyterian Church 3208 Exposition Blvd., Austin, TX 78763	Public	Debt reduction for church facilities	50,000
Westminster Presbyterian Church 3208 Exposition Blvd., Austin, TX 78763	Public	Memorial gift	3,000
Young Life - Athens PO Box 520, Colorado Springs, CO 80901-0520	Public	General support	3,000
Total Religious Programs and Projects			168,000
Religious Institutions Facilities and Equipment			
First Presbyterian Church 306 East Tyler Street, Athens, TX 75751	Public	Facilities acquisition	150,000
Total Religious Facilities and Equipment			150,000
Total Contributions			4,810,750

Statement 7B

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

Recipient/Address	Status	Purpose	Amount
East Texas Arboretum & Botanical Society 1601 Patterson Road, Athens, TX 75751	Public	Henderson County Veterans Memorial	359,000
Total future payments			359,000

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	997,676	NA	997,676	1,110,608
Total US & State Government Obligations	997,676	0	997,676	1,110,608

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	29,410	645	50,010
Abbott Laboratories	44,937	965	50,975
Accenture PLC Class A	0	6,800	464,063
Aetna Inc.	444,588	0	0
Agco Corporation	0	8,720	430,576
Air Products & Chemicals	13,672	0	0
Alaska Air Group	0	12,200	451,916
American Express Company	350,903	8,000	287,224
Ametek New	0	13,750	380,241
Analog Devices	0	1,312	45,516
Ansys Inc.	406,435	0	0
Apple	150,065	750	90,039
Automatic Data Processing	14,667	953	48,257
Baxter International	29,784	1,915	102,461
BB&T Corporation	0	15,900	458,812
Bed, Bath & Beyond	313,910	6,350	264,299
Blackrock	0	283	53,431
BMC Software	293,296	0	0
Brocade Communications Systems	0	78,500	476,625
Cadence Design Systems	0	38,300	455,490
Capital One Financial Corporation	338,596	0	0
Celgene Corporation	379,516	0	0
Centerpoint Energy	0	22,100	462,334
CF Industries Holdings	353,383	2,400	292,455

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
Check Point Software Technologies LTD	348,354	0	0	0
Chevron Corporation	478,908	5,218	535,642	575,238
Chubb Corporation	29,087	785	49,484	60,429
Cliffs Natural Resources	0	828	33,102	30,032
Coca Cola Enterprises	446,727	1,000	37,505	37,180
Colgate Palmolive Company	15,717	565	50,414	59,302
ConocoPhillips	14,033	962	51,672	55,652
Cooper Companies	436,700	5,100	353,487	489,498
Corn Products International	444,781	0	0	0
CSX Corporation	0	200	4,485	4,094
Cullen Frost Bankers	925,333	110,036	1,469,638	6,084,791
Cummins	424,345	0	0	0
Dentsply International	399,891	0	0	0
East West Bancorp	441,795	19,100	441,795	406,639
Endo Pharmaceuticals Holdings	367,031	0	0	0
Exelon Corporation	375,373	0	0	0
ExxonMobil Corporation	224,729	6,065	246,420	552,946
Freeport-McMoran Cooper & Gold	0	500	16,935	19,440
General Dynamics Corporation	29,073	795	48,589	54,124
General Mills	14,938	1,244	48,524	49,860
Global Payments	402,757	0	0	0
Helmerich & Payne	326,080	7,450	326,080	356,110
Home Depot	391,123	7,900	257,489	484,902
Honeywell International	13,377	922	47,690	56,463

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	12,275	877	40,471	53,786
Ingredion Incorporation	0	8,600	420,622	528,556
Intel Corporation	46,037	2,060	47,850	44,558
Intercontinental Exchange	458,239	0	0	0
International Business Machines Corporation	210,896	2,275	210,896	442,556
Johnson & Johnson	45,171	8,098	544,078	573,500
JP Morgan Chase & Company	526,895	14,669	542,670	611,404
Kellogg Company	14,779	0	0	0
Kimberly-Clark Corporation	29,801	5,735	487,999	478,586
Kroger Company	0	18,900	457,127	476,658
Lockheed Martin Corporation	44,234	1,324	99,870	124,019
Manpower Wisconsin	373,260	0	0	0
Mattel	385,499	13,250	288,632	487,335
McDonalds Corporation	46,722	1,179	107,790	102,337
McKesson Corporation	307,069	5,275	285,426	492,210
Microchip Technology	14,579	0	0	0
Microsoft Corporation	29,054	1,970	52,057	56,224
Motorola Solutions	370,000	9,300	370,000	480,624
National-Oilwell Varco	0	5,800	459,097	427,460
Nextera Energy	44,288	1,815	100,669	127,159
Noble Energy	447,731	0	0	0
Nuance Communications	389,812	18,100	389,812	403,087
Occidental Petroleum Corporation	445,901	4,650	466,531	367,164
Omnicare	0	13,400	465,725	462,702

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
Oracle Corporation	0	14,500	438,489	450,660
People's United Financial	13,119	0	0	0
Pepsico	44,081	1,615	102,151	111,823
PPG Industries	445,382	0	0	0
Priceline.com	264,770	0	0	0
Procter & Gamble Company	45,104	1,589	100,925	110,022
Raytheon Company	13,370	593	25,573	33,540
Resmed	0	11,700	373,550	467,298
Robert Half International	0	15,800	458,050	424,862
Ross Stores	185,623	7,400	68,749	451,030
Royal Dutch Shell PLC	28,466	720	48,603	50,854
Ryder System	443,599	0	0	0
Southern Union Company	704,129	0	0	0
Staples	0	1,533	17,458	17,653
Sysco Corporation	29,840	1,885	50,741	58,567
Tibco Software	188,596	0	0	0
Travelers Companies	0	7,476	483,081	530,347
US Bancorp Del	0	14,700	419,365	488,187
VF Corporation	383,431	0	0	0
Vodafone Group PLC	29,222	1,890	51,314	51,459
Wabtec Corporation	0	5,800	466,025	475,020
Walgreen Company	0	1,703	55,788	59,997
Walmart Stores	29,056	915	50,575	68,643
Watson Pharmaceuticals	270,453	5,700	240,969	489,915

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	209,040	5,175	144,720	490,538		
Xilinx Corporation	0	1,066	37,076	34,933		
Chase Multi-Strategy Hedge Fund (Class C-A Series)	4,250,000	0	4,250,000	6,110,755		
GS Global Equity Long/Short Partners PLC A Series 1	3,750,000	0	0	0		
GS Global Equity Long/Short Partners PLC A Series 54	500,000	0	0	0		
Vanguard Institutional Index Fund	9,954,123	92,717	10,191,400	12,006,901		
Vanguard Small-Cap Index Fund	3,545,319	128,369	3,598,259	4,376,089		
Templeton Foreign Equity Series	11,042,547	574,626	11,478,142	10,900,655		
Pimco All Asset Fund	5,832,263	592,726	7,194,919	7,521,689		
SPDR Gold Trust	297,325	3,400	297,325	567,222		
Yacktman Fund (Brokerage)	500,000	0	0	0		
Yacktman Dynamic Equity (Goldman Sachs)	474,684	0	0	0		
Wellington Inflation Hedges	4,642,868	382,554	4,688,819	5,887,510		
Westwood	3,925,579	20,007	4,233,985	4,384,309		
Total Corporate Stock	65,997,545	2,421,949.03	64,287,050	78,540,134		

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	500,000	86,882	1,000,000	1,020,864
Templeton Global Bond Fund	0	78,748	1,035,107	1,059,156
CF CIS Government/Credit Index Fund	7,500,674	NA	7,803,858	8,855,631
CF CIS Securitized Index Fund	4,242,429	NA	3,982,337	4,200,669
GS Corporate Credit Investment Fund	3,719,839	NA	4,450,798	5,558,785
Total Corporate Bonds	15,962,942	165,629.71	18,272,100	20,695,105

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	Accum. Depletion	Column B Book Value	Column C Fair Market Value		
Real Estate - Block 124, Dallas, Texas	391,388	391,388	0	391,388	375,145		
Total	391,388	391,388	0	391,388	375,145		

Statement 12

Part II, Line 13 - Investments - Other:

Description	Basis	Beginning of Tax Yr			End of Tax Year		
		Column A Book Value	Accum. Depletion	Column B Book Value	Column C Fair Market Value		
Oil & Gas Royalty Interests (Producing)	323,099	323,099	12,043	323,099	1,221,201		
Oil & Gas Royalty Interests (Non-producing)	4,086	4,086	0	4,086	4,086		
Total	327,185	327,185	12,043	327,185	1,225,287		

See Statement 5 for analysis of Accumulated Depletion.

Statement 13

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

Description	Basis at 10/31/12	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	1,174	7,641	538	949
Furniture & Fixtures	41,070	376	40,801	269	6,056
Data Processing Equipment	16,604	2,991	13,906	2,698	2,424
Office Refurbishment	42,336	0	42,336	0	42,336
Office Condo - Building	115,091	43,389	75,355	39,736	173,333
Subtotal	223,281	47,930	180,040	43,241	225,100
Non-depreciable Assets					
Furniture & Fixtures	10,195	10,195	0	10,195	10,195
Office Condo - Land	29,212	29,212	0	29,212	94,042
Subtotal	39,407	39,407	0	39,407	104,237
Total	262,688	87,337	180,040	82,648	329,337

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							
138	CF CIS Securitized Index Fund	P	30-Jun-08	31-Oct-11	21,567,045	17,015,445	4,551,601
394	CF CIS Securitized Index Fund	P	30-Jun-08	15-Nov-11	13,890	13,130	760
224	CF CIS Securitized Index Fund	P	30-Jun-08	30-Nov-11	39,562	37,487	2,074
204	CF CIS Securitized Index Fund	P	30-Jun-08	30-Dec-11	22,512	21,313	1,199
475	CF CIS Securitized Index Fund	P	30-Jun-08	31-Jan-12	20,582	19,410	1,172
520	CF CIS Securitized Index Fund	P	30-Jun-08	29-Feb-12	48,004	45,194	2,810
569	CF CIS Securitized Index Fund	P	30-Jun-08	30-Mar-12	52,458	49,492	2,966
84	CF CIS Securitized Index Fund	P	30-Jun-08	30-Apr-12	57,247	54,172	3,075
394	CF CIS Securitized Index Fund	P	30-Jun-08	31-May-12	8,476	7,998	478
46	CF CIS Securitized Index Fund	P	30-Jun-08	29-Jun-12	39,747	37,523	2,224
172	CF CIS Securitized Index Fund	P	30-Jun-08	13-Jul-12	4,633	4,381	252
208	CF CIS Securitized Index Fund	P	30-Jun-08	31-Jul-12	17,398	16,381	1,017
589	CF CIS Securitized Index Fund	P	30-Jun-08	31-Aug-12	21,056	19,809	1,247
596	CF CIS Securitized Index Fund	P	30-Jun-08	28-Sep-12	59,524	56,124	3,401
199	CF CIS Government/Credit Index Fund	P	30-Jun-08	15-Dec-12	60,232	56,826	3,405
204	CF CIS Government/Credit Index Fund	P	30-Jun-08	15-Mar-12	23,092	20,567	2,525
63	CF CIS Government/Credit Index Fund	P	30-Jun-08	13-Apr-12	23,327	21,099	2,228
138	CF CIS Government/Credit Index Fund	P	30-Jun-08	15-May-12	7,287	6,521	767
340	CF CIS Government/Credit Index Fund	P	30-Jun-08	15-Aug-12	16,071	14,285	1,787
375	CF CIS Government/Credit Index Fund	P	30-Jun-08	14-Sep-12	39,658	35,239	4,418
228	CF CIS Government/Credit Index Fund	P	30-Jun-08	15-Oct-12	43,699	38,903	4,796
864	Wellington Inflation Hedge	P	Various	01-Nov-11	26,890	23,674	3,216
834	Wellington Inflation Hedge	P	Various	01-Feb-12	13,439	10,556	2,883
876	Wellington Inflation Hedge	P	Various	01-May-12	13,044	10,196	2,848
846	Wellington Inflation Hedge	P	Various	01-Aug-12	12,559	10,365	2,194
0	Wellington Inflation Hedge (K-1 adjustments)	x	Various	31-Oct-11	165,319	0	165,319
0	Westwood Large Cap Value Equity Fund	P	Various	Various	312,384	67,677	244,706
0	Westwood Large Cap Value Equity Fund (K-1 adjustments)	x	Various	31-Oct-11	0	31,478	(31,478)
Total Fixed Income					1,175,518	740,512	435,005
Total Publicly Traded Securities & Fixed Income					22,742,563	17,755,957	4,986,606

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 36.00 Hours per week	28,500	10,691	0
John C. Cain 102 W. Tyler Athens, Texas 75751	Director of Real Estate Vice President 30.00 Hours per week	24,500	9,580	0
Charmaine D. McGill 4131 Spicewood Springs, #A-1 Austin, TX 78759	Director, Vice President, Grants Administrator 35.00 Hours per week	74,250	13,010	0
F. Wofford Denius 4551 Glencoe Avenue, Suite 300 Marina del Rey, CA 90292-7925	Director of Legal Vice President 30.00 Hours per week	24,500	10,211	0
Lynn Fowler 4131 Spicewood Springs, #A-1 Austin, Texas 78759	Executive Director, Secretary & Treasurer 45.02 Hours per week	201,283	36,044	0
Mary Bratz 4131 Spicewood Springs, #A-1 Austin, Texas 78759	Business Manager, Assistant Secretary 39.92 Hours per week	62,350	14,761	0
		415,383	94,298	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