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Form 990-PF

Department of the Treasury
Internal Revenue Service

For calendar year 2009, or tax year beginning

, and ending

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

OMB No 1545-0052

2009

ENVIRONMENT
MAY 12 2010
POSTMARK DATE
See Specific
Instructions.MAY 2010
SCANNED
MAY 27 2010
Operating and Administrative ExpensesReturn of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

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

Use the IRS
label.Otherwise,
print
or type.See Specific
Instructions.Name of foundation
THE VAUGHN FOUNDATIONNumber and street (or P O box number if mail is not delivered to street address) **C/O JPMORGAN SRVCS. INC PO BOX 6089** Room/suiteCity or town, state, and ZIP code
NEWARK DE 19714-6089H 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) ► \$ **7,714,032** (Part I, column (d) must be on cash basis)J Accounting method Cash Accrual
 Other (specify)

A Employer identification number

75-6008953B Telephone number (see page 10 of the instructions)
302-634-2931

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 ►

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) (see page 11 of the instructions))

(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 (attach schedule)				
2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities	202,620	194,321		
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	-381,643			
b Gross sales price for all assets on line 6a	3,472,076			
7 Capital gain net income (from Part IV, line 2)		0		
8 Net short-term capital gain			0	
9 Income modifications				
10a Gross sales less returns & allowances				
b Less Cost of goods sold				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule)				
12 Total. Add lines 1 through 11	-179,023	194,321	0	5,919
13 Compensation of officers, directors, trustees, etc.				
14 Other employee salaries and wages	29,595	23,676		
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach schedule)				
c Other professional fees (attach schedule)				
17 Interest				
18 Taxes (attach schedule) (see page 14 of the instructions)	1,635	535		
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (att sch)				
24 Total operating and administrative expenses.	31,230	24,211		5,919
Add lines 13 through 23				
25 Contributions, gifts, grants paid	327,000			327,000
26 Total expenses and disbursements. Add lines 24 and 25	358,230	24,211	0	332,919
27 Subtract line 26 from line 12	-537,253			
a Excess of revenue over expenses and disbursements				
b Net investment income (if negative, enter -0-)		170,110		
c Adjusted net income (if negative, enter -0-)			0	

For Privacy Act and Paperwork Reduction Act Notice, see page 30 of the instructions.

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Assets	Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions.)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
1	Cash—non-interest-bearing		728,801	555,574	555,574
2	Savings and temporary cash investments				
3	Accounts receivable ►	11,649			
	Less. allowance for doubtful accounts ►				
4	Pledges receivable ►		18,268	11,649	11,649
	Less allowance for doubtful accounts ►				
5	Grants receivable				
6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions)				
7	Other notes and loans receivable (att schedule) ►				
	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 (attach schedule)	SEE STMT 2			
b	Investments—corporate stock (attach schedule)	SEE STMT 2	4,532,254	4,296,062	4,272,346
c	Investments—corporate bonds (attach schedule)	SEE STMT 3	2,898,008	2,777,019	2,874,463
11	Investments—land, buildings, and equipment basis ►				
	Less accumulated depreciation (attach sch) ►				
12	Investments—mortgage loans				
13	Investments—other (attach schedule)	SEE STATEMENT 4		1	1
14	Land, buildings, and equipment basis ►				
	Less accumulated depreciation (attach sch) ►				
15	Other assets (describe ►)			
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)		8,177,332	7,640,305	7,714,032
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
19	Deferred revenue				
20	Loans from officers, directors, trustees, and other disqualified persons				
21	Mortgages and other notes payable (attach schedule)				
22	Other liabilities (describe ►)		0	0
23	Total liabilities (add lines 17 through 22)				
Net Assets or Fund Balances	24	Foundations that follow SFAS 117, check here ► <input type="checkbox"/>			
	25	and complete lines 24 through 26 and lines 30 and 31.			
26	Unrestricted				
27	Temporarily restricted				
28	Permanently restricted				
29	Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/>				
30	and complete lines 27 through 31.				
31	Capital stock, trust principal, or current funds		8,177,332	7,640,305	
	Paid-in or capital surplus, or land, bldg., and equipment fund				
	Retained earnings, accumulated income, endowment, or other funds				
30	Total net assets or fund balances (see page 17 of the instructions)		8,177,332	7,640,305	
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)		8,177,332	7,640,305	

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	8,177,332
2	Enter amount from Part I, line 27a	2	-537,253
3	Other increases not included in line 2 (itemize) ► SEE STATEMENT 5	3	632
4	Add lines 1, 2, and 3	4	7,640,711
5	Decreases not included in line 2 (itemize) ► SEE STATEMENT 6	5	406
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	7,640,305

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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 ATTACHED - SHORT TERM		P	VARIOUS	VARIOUS	
b SEE ATTACHED - LONG TERM		P	VARIOUS	VARIOUS	
c LTCG DIVIDENDS					
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 1,600,994		1,722,470	-121,476		
b 1,870,908		2,131,249	-260,341		
c 174			174		
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))	
(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			
a			-121,476		
b			-260,341		
c			174		
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	-381,643	
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) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8	}		3		

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2008	412,084	8,198,395	0.050264
2007	339,671	9,392,319	0.036165
2006	240,163	8,631,550	0.027824
2005	736,302	8,304,873	0.088659
2004	488,560	8,556,131	0.057101

2 Total of line 1, column (d)

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

4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5

5 Multiply line 4 by line 3

6 Enter 1% of net investment income (1% of Part I, line 27b)

7 Add lines 5 and 6

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 on page 18

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Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter: (attach copy of letter if necessary—see instructions)	1	3,402
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input type="checkbox"/> and enter 1% of Part I, line 27b		
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-)		
3	Add lines 1 and 2		
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		
6	Credits/Payments:		
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a 6b 6c 6d	3,300
b	Exempt foreign organizations—tax withheld at source		
c	Tax paid with application for extension of time to file (Form 8868)		
d	Backup withholding erroneously withheld		
7	Total credits and payments Add lines 6a through 6d	7 8 9 10 11	3,300 102 Refunded
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached		
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		
11	Enter the amount of line 10 to be Credited to 2010 estimated tax ►		

Part VII-A Statements Regarding Activities

1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a 1b 1c	Yes X X
b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the 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		
c	Did the foundation file Form 1120-POL for this year?		
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ► \$ _____ (2) On foundation managers ► \$ _____	N/A	X X X X X X X X X X
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ _____		
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		
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		
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?		
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		
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?		
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		
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ► TX		
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation		
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV		
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		

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 page 20 of the 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 ► JPMORGAN CHASE BANK, N.A. P.O. BOX 6089 Located at ► NEWARK, DE	Telephone no. ► 302-634-2931 ZIP+4 ► 19714-6089		
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	► □

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

	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year did the foundation (either directly or indirectly).			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/> No
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 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 2009?	N/A	1c	
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)).			
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? If "Yes," list the years ► 20 , 20 , 20 , 20	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> 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 page 20 of the instructions)	N/A	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20 , 20 , 20 , 20			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
b	If "Yes," did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009)	N/A	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4b		X

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:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? (see page 22 of the instructions)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	N/A	5b
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? If "Yes," attach the statement required by Regulations section 53.4945-5(d)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	N/A	
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		6b
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If "Yes" to 6b, file Form 8870	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		X
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	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 (see page 22 of the instructions).

(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
JP MORGAN CHASE BANK, N.A. C/O JPMORGAN SRVCS. INC	NEWARK DE 19714	TRUSTEE 5.00	29,595	0

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). 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

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)
3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

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

Part IX-A Summary of Direct Charitable Activities

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

Expenses

1 N/A

2

3

4

Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)

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

Amount

1 N/A

2

All other program-related investments. See page 24 of the instructions

3

Total. Add lines 1 through 3


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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	6,565,045
b	Average of monthly cash balances	1b	649,225
c	Fair market value of all other assets (see page 24 of the instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	7,214,270
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	7,214,270
4	Cash deemed held for charitable activities Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	108,214
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	7,106,056
6	Minimum investment return. Enter 5% of line 5	6	355,303

Part XI Distributable Amount (see page 25 of the 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	355,303
2a	Tax on investment income for 2009 from Part VI, line 5	2a	3,402
b	Income tax for 2009. (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	3,402
3	Distributable amount before adjustments Subtract line 2c from line 1	3	351,901
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	351,901
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	351,901

Part XII Qualifying Distributions (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes.	1a	332,919
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26	1b	
b	Program-related investments—total from Part IX-B	2	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	3a	
3	Amounts set aside for specific charitable projects that satisfy the	3b	
a	Suitability test (prior IRS approval required)	4	332,919
b	Cash distribution test (attach the required schedule)	5	0
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	6	332,919
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 (see page 26 of the instructions)		
6	Adjusted qualifying distributions. Subtract line 5 from line 4		

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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				351,901
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only				
b Total for prior years 20 ____ , 20 ____ , 20 ____				
3 Excess distributions carryover, if any, to 2009.				
a From 2004				
b From 2005	35,104			
c From 2006				
d From 2007				
e From 2008	6,546			
f Total of lines 3a through e	41,650			
4 Qualifying distributions for 2009 from Part XII, line 4 ► \$ 332,919				
a Applied to 2008, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2009 distributable amount				332,919
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))	18,982			18,982
6 Enter the net total of each column as indicated below:	22,668			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b				
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				
d Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions				
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	22,668			
10 Analysis of line 9				
a Excess from 2005	16,122			
b Excess from 2006				
c Excess from 2007				
d Excess from 2008	6,546			
e Excess from 2009				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

1a	If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling				►			
b	Check box to indicate whether the foundation is a private operating foundation described in section				<input type="checkbox"/>	4942(j)(3) or	<input type="checkbox"/>	4942(j)(5)
2a	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 page 28 of the instructions.)**1 Information Regarding Foundation Managers:**

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

N/A

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.

N/A**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 page 28 of the 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
MARC IRVIN 713-216-4515

JP MORGAN CHASE BANK, N.A. HOUSTON TX 77002

b The form in which applications should be submitted and information and materials they should include
NO PRESCRIBED FORM REQUIRED

c Any submission deadlines

NONE

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors
NONE

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 SEE ATTACHED STATEMENT				327,000
Total			► 3a	327,000
b Approved for future payment N/A				
Total			► 3b	

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 (See page 28 of the instructions)
		(a) Business code	(b) Amount	(c) Exclusion code	
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				
4	Dividends and interest from securities				
5	Net rental income or (loss) from real estate				
a	Debt-financed property				
b	Not debt-financed property				
6	Net rental income or (loss) from personal property				
7	Other investment income				
8	Gain or (loss) from sales of assets other than inventory				
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		-179,023
13	Total. Add line 12, columns (b), (d), and (e)				-179,023

(See worksheet in line 13 instructions on page 28 to verify calculations)

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

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75-6008953
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Federal Statements

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Statement 1 - Form 990-PF, Part I, Line 18 - Taxes

<u>Description</u>	<u>Total</u>	<u>Net Investment</u>	<u>Adjusted Net</u>	<u>Charitable Purpose</u>
FOREIGN TAXES PAID	\$ 535	\$ 535	\$	\$
CURRENT YEAR ESTIMATES PAID	1,100			
TOTAL	\$ 1,635	\$ 535	\$ 0	\$ 0

Federal Statements

Statement 2 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
STOCKS	\$ 3,147,715	\$ 3,365,039	COST	\$ 3,201,668
OTHER FUNDS	\$ 1,384,539	\$ 931,023	COST	\$ 1,070,678
TOTAL	\$ 4,532,254	\$ 4,296,062		\$ 4,272,346

Statement 3 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
BONDS	\$ 2,898,008	\$ 2,777,019	COST	\$ 2,874,463
TOTAL	\$ 2,898,008	\$ 2,777,019		\$ 2,874,463

Statement 4 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
OIL AND GAS ROYALTY PROPERTY	\$ 1	\$ 1	COST	\$
TOTAL	\$ 1	\$ 1		\$ 0

Statement 5 - Form 990-PF, Part III, Line 3 - Other Increases

Description	Amount
RETURN OF CAPITAL DIVIDENDS	\$ 632
TOTAL	\$ 632

Statement 6 - Form 990-PF, Part III, Line 5 - Other Decreases

Description	Amount
TAX COST ADJUSTMENT FOR PRIOR YEAR ROC DIV	\$ 406
TOTAL	\$ 406

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Form 990-PF, Part XV, Line 2b - Application Format and Required Contents

Description

NO PRESCRIBED FORM REQUIRED

Form 990-PF, Part XV, Line 2c - Submission Deadlines

Description

NONE

Form 990-PF, Part XV, Line 2d - Award Restrictions or Limitations

Description

NONE

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ACCOUNTS RECEIVABLE

Description	Amount
DIVIDENDS POSTING IN 2010	\$ <u>11,649</u>
TOTAL	\$ <u>11,649</u>

THE VAUGHN FOUNDATION
2009 GRANTS AND CONTRIBUTIONS PAID
EIN: 75-6008953

RECIPIENT	ADDRESS	RELATIONSHIP	RECIPIENT STATUS	PURPOSE	AMOUNT
Alley Theater	Houston, TX	NONE	PUBLIC	OPERATING	\$15,000
American Cancer Society	Houston, TX	NONE	PUBLIC	OPERATING	\$5,000
Houston Dance Salad	Houston, TX	NONE	PUBLIC	OPERATING	\$10,000
Center for Hearing and Speech	Houston, TX	NONE	PUBLIC	OPERATING	\$5,000
Da Camera	Houston, TX	NONE	PUBLIC	OPERATING	\$15,000
East Texas Food Bank	Tyler, TX	NONE	PUBLIC	OPERATING	\$5,000
Houston Ballet	Houston, TX	NONE	PUBLIC	OPERATING	\$40,000
Houston Food Bank	Houston, TX	NONE	PUBLIC	OPERATING	\$10,000
Houston Friends of Music	Houston, TX	NONE	PUBLIC	OPERATING	\$15,000
Houston Grand Opera Endowment	Houston, TX	NONE	PUBLIC	OPERATING	\$15,000
Houston Symphony	Houston, TX	NONE	PUBLIC	OPERATING	\$15,000
Mental Health of America	Houston, TX	NONE	PUBLIC	OPERATING	\$15,000
Park People	Houston, TX	NONE	PUBLIC	OPERATING	\$5,000
River Oaks Baptist School	Houston, TX	NONE	PUBLIC	OPERATING	\$15,000
Ronald McDonald House of Houston	Houston, TX	NONE	PUBLIC	OPERATING	\$10,000
Texas Children's Cancer Center	Houston, TX	NONE	PUBLIC	OPERATING	\$10,000
University of Texas	Tyler, TX	NONE	PUBLIC	OPERATING	\$62,000
University of Texas Medical Branch	Galveston, TX	NONE	PUBLIC	OPERATING	\$10,000
Yellowstone Academy	Houston, TX	NONE	PUBLIC	OPERATING	\$10,000
Society for the Preforming Arts	Houston, TX	NONE	PUBLIC	OPERATING	\$15,000
Forge for Families	Houston, TX	NONE	PUBLIC	OPERATING	\$5,000
Duchesne Academy of the Sacred Heart	Houston, TX	NONE	PUBLIC	OPERATING	\$15,000
Context	Houston, TX	NONE	PUBLIC	OPERATING	\$15,000
				TOTAL:	<u><u>\$327,000</u></u>

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TRUST YEAR ENDING 12/31/2009

TAX PREPARER AE2
TRUST ADMINISTRATOR M12
INVESTMENT OFFICER RE1

LEGEND F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM
11923 6880 AMERICAN CENTURY EQUITY INC INV - 025076100 - MINOR = 08010						
SOLD 11923 6880 09/21/2009		75000 00				
ACQ 11923 6880 09/04/2009		75000 00	74046 10		953 90	ST
100 0000 APOLLO INVESTMENT CORP - 03761U106 - MINOR = 31000						
SOLD 100 0000 02/26/2009		450 26				
ACQ 100 0000 09/06/2007		450 26	2194 08		-1743.82	LT15
100 0000 APOLLO INVESTMENT CORP - 03761U106 - MINOR = 31000						
SOLD 100.0000 03/04/2009		360 48				
ACQ 100.0000 09/06/2007		360.48	2189.98		-1829 50	LT15
100 0000 APOLLO INVESTMENT CORP - 03761U106 - MINOR = 31000						
SOLD 100 0000 03/10/2009		239 83				
ACQ 100 0000 09/06/2007		239 83	2189 98		-1950 15	LT15
200 0000 APOLLO INVESTMENT CORP - 03761U106 - MINOR = 31000						
SOLD 200 0000 03/12/2009		478 79				
ACQ 200 0000 09/06/2007		478 79	4379 96		-3901 17	LT15
1000 0000 APOLLO INVESTMENT CORP - 03761U106 - MINOR = 31000						
SOLD 1000 0000 03/13/2009		2531 08				
ACQ 1000 0000 09/07/2007		2531 08	21785 20		-19254 12	LT15
200 0000 APOLLO INVESTMENT CORP - 03761U106 - MINOR = 31000						
SOLD 200 0000 03/13/2009		495 69				
ACQ 200 0000 09/07/2007		495 69	4357 04		-3861 35	LT15
200 0000 APOLLO INVESTMENT CORP - 03761U106 - MINOR = 31000						
SOLD 200 0000 03/13/2009		504 47				
ACQ 200 0000 09/07/2007		252 24	2178 52		-1926 29	LT15
200 0000 APOLLO INVESTMENT CORP - 03761U106 - MINOR = 31000						
SOLD 100 0000 09/10/2007		252 24	2172 58		-1920 35	LT15
200 0000 APOLLO INVESTMENT CORP - 03761U106 - MINOR = 31000						
SOLD 200 0000 03/16/2009		505 75				
ACQ 200 0000 09/10/2007		505 75	4345 16		-3839 41	LT15
700 0000 APOLLO INVESTMENT CORP - 03761U106 - MINOR = 31000						
SOLD 700 0000 03/16/2009		1811.30				
ACQ 700 0000 09/10/2007		1811 30	15208 06		-13396 76	LT15
100 0000 APOLLO INVESTMENT CORP - 03761U106 - MINOR = 31000						
SOLD 100 0000 03/17/2009		213 66				
ACQ 100.0000 09/10/2007		213.66	2172 58		-1958 92	LT15
400 0000 APOLLO INVESTMENT CORP - 03761U106 - MINOR = 31000						
SOLD 400 0000 03/17/2009		816 67				
ACQ 400 0000 09/10/2007		816 67	8690 32		-7873 65	LT15
400 0000 APOLLO INVESTMENT CORP - 03761U106 - MINOR = 31000						
SOLD 400 0000 03/18/2009		854 31				
ACQ 400 0000 09/10/2007		854 31	8690 32		-7836 01	LT15
300 0000 APOLLO INVESTMENT CORP - 03761U106 - MINOR = 31000						
SOLD 300 0000 03/19/2009		627 83				
ACQ 300 0000 09/10/2007		627 83	6517 74		-5889 91	LT15
100 0000 APOLLO INVESTMENT CORP - 03761U106 - MINOR = 31000						
SOLD 100 0000 03/19/2009		213 73				
ACQ 100 0000 09/10/2007		213 73	2172 58		-1958 85	LT15
500 0000 APOLLO INVESTMENT CORP - 03761U106 - MINOR = 31000						
SOLD 500.0000 03/19/2009		1047 99				
ACQ 500.0000 09/10/2007		1047 99	10862 90		-9814 91	LT15
500 0000 APOLLO INVESTMENT CORP - 03761U106 - MINOR = 31000						
SOLD 500 0000 03/20/2009		1019 24				
ACQ 500 0000 09/10/2007		1019 24	10862.90		-9843 66	LT15
100 0000 APOLLO INVESTMENT CORP - 03761U106 - MINOR = 31000						
SOLD 100 0000 03/23/2009		209 88				
ACQ 100 0000 09/10/2007		209 88	2151 17		-1941 29	LT15
1400 0000 APOLLO INVESTMENT CORP - 03761U106 - MINOR = 31000						
SOLD 1400 0000 03/23/2009		3119 46				
ACQ 600.0000 09/10/2007		1336 91	12907 02		-11570 11	LT15
800 0000 09/11/2007		1782.55	16869 52		-15086 97	LT15
100 0000 APOLLO INVESTMENT CORP - 03761U106 - MINOR = 31000						
SOLD 100 0000 03/24/2009		256 49				
ACQ 100 0000 09/11/2007		256 49	2108 69		-1852 20	LT15
900 0000 APOLLO INVESTMENT CORP - 03761U106 - MINOR = 31000						
SOLD 900 0000 03/24/2009		2310 91				
ACQ 900 0000 09/11/2007		2310 91	18978 21		-16667 30	LT15
300 0000 APOLLO INVESTMENT CORP - 03761U106 - MINOR = 31000						
SOLD 300 0000 03/24/2009		782.66				
ACQ 300 0000 09/11/2007		782 66	6326 07		-5543 41	LT15
500.0000 APOLLO INVESTMENT CORP - 03761U106 - MINOR = 31000						
SOLD 500.0000 03/25/2009		1198 24				
ACQ 500 0000 09/11/2007		1198.24	10543 45		-9345 21	LT15
200 0000 APOLLO INVESTMENT CORP - 03761U106 - MINOR = 31000						
SOLD 200 0000 03/25/2009		466 39				
ACQ 200 0000 09/11/2007		466 39	4217 38		-3750 99	LT15
100 0000 APOLLO INVESTMENT CORP - 03761U106 - MINOR = 31000						
SOLD 100 0000 03/26/2009		237 49				
ACQ 100 0000 09/11/2007		237 49	2108 69		-1871.20	LT15
134000.0000 BARCLAYS BREN EAFE		12/30/09 - 06738QYE2 - MINOR = 37				
SOLD 134000 0000 12/30/2009		169102 51				
ACQ 134000 0000 12/12/2008		169102.51	132660 00		36442 51	LT15
100000 0000 DEUTSCHE BK REN INFRA BSKT		6/17/10 - 2515AO1N1 - MINOR = 37				
SOLD 100000 0000 02/06/2009		46270 00				
ACQ 100000 0000 05/30/2008		46270 00	98500 00		-52230 00	ST

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TRUST YEAR ENDING 12/31/2009

TAX PREPARER AE2
TRUST ADMINISTRATOR MT2
INVESTMENT OFFICER RE1

LEGEND F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM
69000 0000 BUFFERED RETURN ENHANCED NOTE - 2515A0WW9						
SOLD		05/27/2009	82524 00			
ACQ	69000 0000	11/21/2008	82524 00	68655 00	13869 00	ST
4669 9880 EATON VANCE SPL INV'T TR - 277905642 - MINOR = 65						
SOLD		09/21/2009	75000 00			
ACQ	4669 9880	10/16/2008	75000.00	69162 52	5837.48	ST
.0000 ENRON CORP - 293561106 - MINOR = 31001						
SOLD		01/06/2009	16698 85			
ACQ	.0000		16698 85	0 00	16698 85	LT15
CHANGED 02/03/09 AW4						
19091 8470 FIDELITY ADVISOR HIGH YIELD FD INST* - 315807875 - MINOR = 08030						
SOLD		01/07/2009	110732.71			
ACQ	19091 8470	11/23/2007	110732 71	185000 00	-74267 29	LT15
140000.0000 HSBC REN SPX 12/15/09 - 4042K0TS4						
SOLD		12/15/2009	192164 00			
ACQ	140000 0000	11/26/2008	192164 00	138600 00	53564 00	LT15
0000 HONEYWELL INTERNATIONAL INC - 438516106 - MINOR = 31000						
SOLD		02/23/2009	19 06			
ACQ	.0000		19 06	0 00	19 06	LT15
CHANGED 05/11/09 AW4						
7000 0000 ISHARES MSCI EAFE INDEX FUND - 464287465 - MINOR = 08020						
SOLD		05/07/2009	309419 34			
ACQ	7000 0000	10/16/2008	309419 34	305485 60	3933.74	ST
3500 0000 ISHARES RUSSELL 2000 INDEX FUND - 464287655 - MINOR = 08020						
SOLD		10/22/2009	214503 53			
ACQ	1500 0000	07/29/2009	91930.08	82460 55	9469.53	ST
2000 0000	09/21/2009	122573 45	123460 80	-887.35	ST	
7322 1760 IVY LARGE CAP GROWTH FUND - 466001203 - MINOR = 65						
SOLD		07/10/2009	70000 00			
ACQ	7322 1760	10/16/2008	70000 00	73734 31	-3734 31	ST
4357 9310 JPMORGAN US LARGE CAPITAL CORE PLUS FUND - 4812A2389 - MINOR = 08010						
SOLD		09/21/2009	75000 00			
ACQ	4357 9310	05/02/2007	75000 00	89424 74	-14424 74	LT15
36003 6000 JPMORGAN CORE BOND FUND - 4812C0381 - MINOR = 08030						
SOLD		09/21/2009	400000 00			
ACQ	36003 6000	05/14/2009	400000 00	390639 06	9360 94	ST
8880 9950 JPMORGAN CORE BOND FUND - 4812C0381 - MINOR = 08030						
SOLD		11/25/2009	100000 00			
ACQ	8880 9950	05/14/2009	100000 00	96358 80	3641 20	ST
94563 3710 JPMORGAN SHORT DURATION BOND FUND - 4812C1330 - MINOR = 08030						
SOLD		05/14/2009	1016556 24			
ACQ	94563 3710	12/31/2007	1016556 24	1008991 17	7565 07	LT15
4851 2290 JPMORGAN DIVERSIFIED MID CAP GROWTH - 4812C1710 - MINOR = 08010						
SOLD		07/29/2009	75000.00			
ACQ	4851 2290	03/05/2007	75000 00	112208 92	-37208 92	LT15
0000 M C I COMMUNICATIONS CORP - 552673105						
SOLD		12/04/2009	1 86			
ACQ	.0000		1 86	0.00	1 86	LT15
CHANGED 12/22/09 AW4						
2815 3150 MATTHEWS INTERNATIONAL FUNDS - 577130107 - MINOR = 08010						
SOLD		09/21/2009	50000.00			
ACQ	2815 3150	08/25/2005	50000 00	49127.25	872 75	LT15
200000 0000 MORGAN STANLEY ARN NKY 3/03/10 - 617446E39						
SOLD		06/05/2009	119880 00			
ACQ	200000 0000	02/16/2007	119880 00	196000 00	-76120 00	LT15
6963 7880 OLD MUTUAL ANALY US LO/SH-Z - 68002Q347 - MINOR = 65						
SOLD		04/08/2009	56615 60			
ACQ	6963 7880	05/15/2008	56615 60	100000 00	-43384 40	ST
1717 0330 T ROWE PRICE INTERNATIONAL FUNDS INC - 77956H500 - MINOR = 08010						
SOLD		09/21/2009	25000 00			
ACQ	1717 0330	08/01/2007	25000 00	32057 01	-7057 01	LT15
2100 0000 S & P 500 DEP RCPTS - 78462F103 - MINOR = 31000						
SOLD		04/08/2009	171661 76			
ACQ	1400 0000	07/22/2008	114441 17	176428 70	-61987 53	ST
700 0000	10/16/2008	57220 59	63538 51	-6317 92	ST	
TOTALS			3471902 06	3853719 14		

SUMMARY OF CAPITAL GAINS/LOSSES

FEDERAL	SHORT TERM	LONG TERM 28%	LONG TERM 15%	ST WASH SALE	LT WASH SALE	1250 GAIN
SUBTOTAL FROM ABOVE	-121475 72	0 00	-260341 36	0.00	0 00	0 00*
COMMON TRUST FUND	0 00	0 00	0 00			0 00
CAPITAL GAIN DIVIDENDS	2056 58	0 00	174 17			0 00
	-119419 14	0 00	-260167 19	0.00	0 00	0 00
	=====	=====	=====	=====	=====	=====

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TRUST YEAR ENDING 12/31/2009

TAX PREPARER AE2
TRUST ADMINISTRATOR MI2
INVESTMENT OFFICER RE1

LEGEND F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM
STATE	-----	-----	-----	-----	-----	-----
SUBTOTAL FROM ABOVE	-121475.72	0 00	-260341.36	0 00	0 00	0 00*
COMMON TRUST FUND	0 00	0 00	0.00			0.00
CAPITAL GAIN DIVIDENDS	2056.58	0 00	174.17			0.00
	-----	-----	-----	-----	-----	-----
	-119419.14	0 00	-260167.19	0 00	0 00	0 00
	=====	=====	=====	=====	=====	=====

* - 1250 GAIN DETAILED ON TRANS PAGES, NOT ABOVE

CAPITAL LOSS CARRYOVER

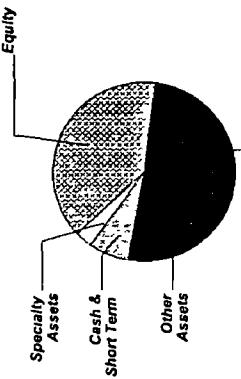
FEDERAL	0 00	0 00
UNKNOWN	N/A	N/A

J.PMorgan

Account Summary

THE VAUGHN FOUNDATION ACCT. P65245006
For the Period 1/1/09 to 12/31/09

PRINCIPAL		Asset Allocation			Asset Allocation	
Asset Allocation	Beginning Market Value	Ending Market Value	Change In Value	Estimated Annual Income	Current Allocation	
Equity	2,292,785.24	3,201,668.18	908,882.94	33,837.99	41%	
Cash & Short Term	515,626.22	534,160.50	18,534.28	640.99	7%	
Fixed Income	2,774,151.27	2,874,462.77	100,311.50	130,933.82	37%	
Specialty Assets	1.00	1.00	0.00		1%	
Other Assets	1,018,739.84	1,070,678.10	51,938.26		14%	
Market Value	\$6,601,303.57	\$7,680,970.55	\$1,079,666.98		100%	
INCOME						
Cash Position		Beginning Market Value	Ending Market Value	Change In Value	Fixed Income	
Cash Balance	213,175.07	21,413.54		(191,761.53)		
Accruals	12,536.58	11,028.15		(1,508.43)		
Market Value	\$225,711.65	\$32,441.69		(\$193,269.96)		



THE VAUGHN FOUNDATION ACCT. P65245006
For the Period 1/1/09 to 12/31/09

Account Summary CONTINUED

	PRINCIPAL		INCOME	
	Current Period Value	Year-to-Date Value	Current Period Value	Year-to-Date Value
Portfolio Activity				
Beginning Market Value	6,601,303.57	6,601,303.57	213,175.07	213,175.07
Additions	226,509.07	226,509.07	12,975.96	12,975.96
Withdrawals & Fees	(183,107.17)	(183,107.17)	(414,072.37)	(414,072.37)
Net Additions/Withdrawals	\$43,401.90	\$43,401.90	(\$401,096.41)	(\$401,096.41)
Income			209,334.88	209,334.88
Change in Investment Value	1,036,265.08	1,036,265.08		
Ending Market Value	\$7,680,970.55	\$7,680,970.55	\$21,413.54	\$21,413.54
Accruals	--	--	11,028.15	11,028.15
Market Value with Accruals	--	--	\$32,441.69	\$32,441.69

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THE VAUGHN FOUNDATION ACCT P65245006
For the Period 1/1/09 to 12/31/09

Account Summary CONTINUED

Tax Summary	Current Period Value	Year-to-Date Value	
Domestic Dividends/Distributions	199,805.36	199,805.36	
Interest Income	1,248.36	1,248.36	
Taxable Income	\$201,053.72	\$201,053.72	
Tax-Exempt Income	8,281.16	8,281.16	
Tax-Exempt Income	\$8,281.16	\$8,281.16	
			To-Date Value
			\$73,729.05
			Unrealized Gain/Loss

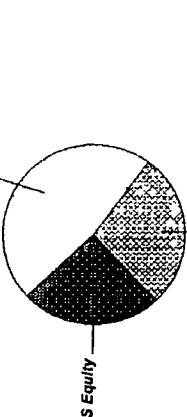
	Current Period Value	Year-to-Date Value	
LT Capital Gain Distributions		174.17	
ST Realized Gain/Loss		(121,475.72)	(121,475.72)
LT Realized Gain/Loss		(260,341.35)	(260,341.35)
Realized Gain/Loss	(\$381,642.90)	(\$381,642.90)	
			To-Date Value
			\$73,729.05
			Unrealized Gain/Loss

Equity Summary

THE VAUGHN FOUNDATION ACCT P65245006
For the Period 1/1/09 to 12/31/09

Asset Categories	Beginning Market Value	Ending Market Value	Change in Value	Current Allocation	Asset Categories
US Large Cap	1,309,982.68	1,517,684.24	207,701.56	19%	
US Mid Cap/Small Cap	330,682.23	897,042.87	566,360.64	12%	
Non US Equity	652,120.33	786,941.07	134,820.74	10%	
Total Value	\$2,292,785.24	\$3,201,668.18	\$908,882.94	41%	

Market Value/Cost	Current Period Value
Market Value	3,201,668.18
Tax Cost	3,365,038.86
Unrealized Gain/Loss	(163,370.68)
Estimated Annual Income	33,837.99
Yield	1.06%



J.P.Morgan

Equity Detail

THE VAUGHN FOUNDATION ACCT. P65245006
For the Period 1/1/09 to 12/31/09

	Quantity	Price	Market Value	Tax Cost	Unrealized Gain/Loss	Estimated Annual Income	Accrued Dividends	Yield
US Large Cap								
EATON VANCE SPL INV T R VALUE FD CL I	9,847.230	16.78	165,236.52	145,837.48	19,399.04	2,540.58		1.54 %
FMI FDS INC LARGE CAP FD 302933-20-5 FMIH X	17,574.692	14.14	248,506.14	199,999.99	48,506.15	3,005.27		1.21 %
IVY LARGE CAP GROWTH FUND - I	14,028.370	11.65	163,430.51	141,265.69	22,164.82	981.98	0.60 %	
JPMORGAN US LARGE CAP CORE PLUS FUND SELECT FUND 1002 4812A2-38-9 JLPS X	33,994.896	18.18	618,027.21	697,575.26	(79,548.05)	3,875.41		0.63 %
MANNING & NAPIER FUND INC EQUITY SERIES 563821-60-2 EXEY X	19,003.174	16.97	322,483.86	250,000.00	72,483.86	304.05	0.09 %	
Total US Large Cap			\$1,517,684.24	\$1,434,678.42	\$83,005.82	\$10,707.29		0.71 %
US Mid Cap/Small Cap								
AMERICAN CENTURY EQUITY INCOME FUND (FUND 123) 025076-10-0 TWEI X	12,230.901	6.56	80,234.71	75,953.90	4,280.81	2,164.86	2.70 %	

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THE VAUGHN FOUNDATION ACCT. P65245006
For the Period 1/1/09 to 12/31/09

	Quantity	Price	Market Value	Tax Cost	Unrealized Gain/Loss	Estimated Annual Income Accrued Dividends	Yield
US Mid Cap/Small Cap							
JPMORGAN MID CAP VALUE FUND SELECT SHARE CLASS (FUND 1100) 339183-10-5 JMV/S X	9,569 231	19.12	182,963.70	217,891.38	(34,927.68)	47.84	0.03 %
JPMORGAN MID CAP GROWTH SELECT SHARE CLASS FUND 3120 4812C1-71-0 HLGE X	8,927 920	18.32	163,559.49	171,791.08	(8,231.59)		
JPMORGAN TRI HIGHBRIDGE STATISTICAL MARKET NEUTRAL FUND SELECT SHARES FUND # 1011 4812A2-43-9 HSKS X	18,533 682	15.74	291,720.15	296,724.25	(5,004.10)	611.61	0.21 %
JPMORGAN US REAL ESTATE FUND SELECT SHARE CLASS FUND 3037 4812C0-61-3 SUIE X	14,624 473	12.21	178,564.82	352,993.77	(174,428.95)	4,109.47	2.30 %
Total US Mid Cap/Small Cap					\$897,042.87	\$1,115,354.38	(\$218,311.51)
Non US Equity							
ARTIO INTERNATIONAL EQUITY II - I 04315J-83-7 JETI X	21,645 022	11.78	254,978.36	350,000.01	(95,021.65)	12,532.46	4.92 %
MANNING & NAPIER FUND INC WORLD OPPORTUNITIES SERIES FUND 563821-54-5 EXWA X	33,393 817	8.12	271,157.79	225,000.00	46,157.79	1,970.23	0.73 %

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THE VAUGHN FOUNDATION ACCT P65245006
For the Period 1/1/09 to 12/31/09

	Quantity	Price	Market Value	Tax Cost	Unrealized Gain/Loss	Estimated Annual Income	Accrued Dividends	Yield
Non US Equity								
MATTHEWS PACIFIC TIGER FUND -CL I 577130-10-7 MAPT X	7,922.175	19.23	152,343.43	114,542.85	37,800.58	1,156.63	0.76 %	
T ROWE PRICE INTERNATIONAL FUNDS INC NEW ASIA FUND 77956H-50-0 PRAS X	6,720.043	16.14	108,461.49	125,463.20	(17,001.71)	537.60	0.50 %	
Total Non US Equity	\$786,941.07		\$815,006.06		(\$28,064.99)	\$16,196.92	2.06 %	

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Cash & Short Term Summary

THE VAUGHN FOUNDATION ACCT. P65245006
For the Period 1/1/09 to 12/31/09

Asset Categories	Beginning Market Value	Ending Market Value	Change In Value	Current Allocation
Cash	515,626.22	534,160.50	18,534.28	7%

Asset Categories	Current Allocation
Cash & Short Term	

Market Value/Cost	Current Period Value
Market Value	534,160.50
Tax Cost	534,160.50
Estimated Annual Income	640.99
Accrued Interest	44.83
Yield	0.12%

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THE VAUGHN FOUNDATION ACCT. P65245006
For the Period 1/1/09 to 12/31/09

Note * This is the Annual Percentage Yield (APY) which is the rate earned if balances remain on deposit for a full year with compounding, there is no change in the interest rate and all interest is left in the account.

Cash & Short Term Detail

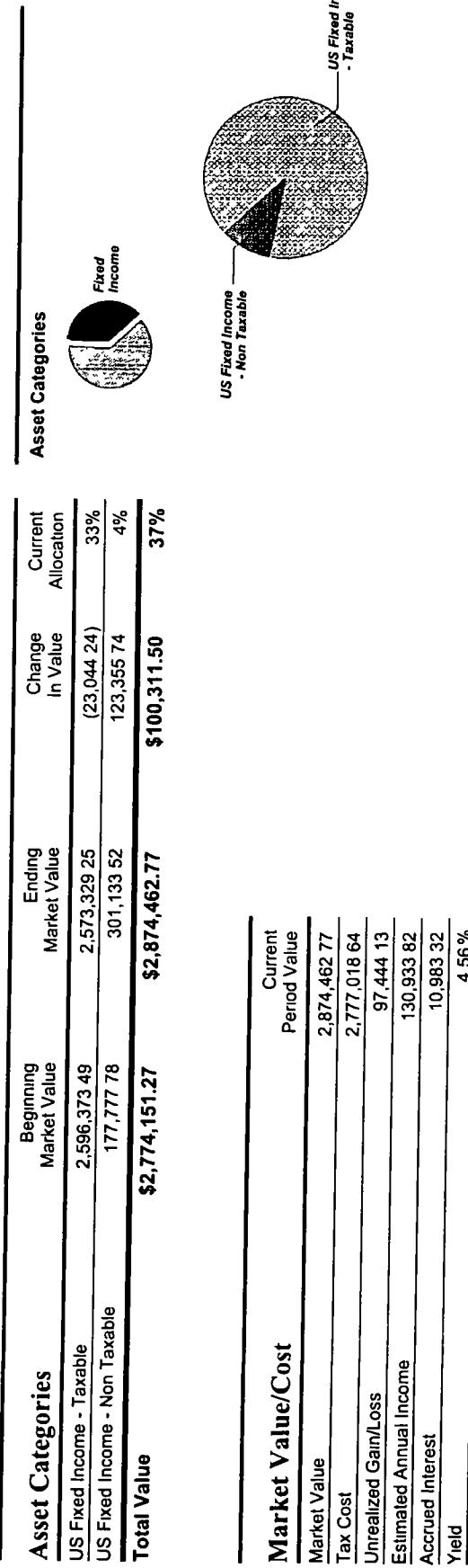
	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Interest	Yield
Cash							
US DOLLAR PRINCIPAL	534,160.50	1.00	534,160.50	534,160.50		640.99 44.83	0.12% ¹

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THE VAUGHN FOUNDATION ACCT PG5245006
For the Period 1/1/09 to 12/31/09

Fixed Income Summary

Asset Categories	Beginning Market Value	Ending Market Value	Change in Value	Current Allocation
US Fixed Income - Taxable	2,596,373.49	2,573,329.25	(23,044.24)	33%
US Fixed Income - Non Taxable	177,777.78	301,133.52	123,355.74	4%
Total Value	\$2,774,151.27	\$2,874,462.77	\$100,311.50	37%



THE VAUGHN FOUNDATION ACCT. P65245006
For the Period 1/1/09 to 12/31/09

Fixed Income Summary CONTINUED

SUMMARY BY MATURITY

	Market Value	% of Bond Portfolio
Fixed Income		
Less than 5 years ¹	2,874,462.77	100%

SUMMARY BY TYPE

	Market Value	% of Bond Portfolio
Fixed Income		
Mutual Funds	2,573,329.25	90%
Other	301,133.52	10%
Total Value	\$2,874,462.77	100%

¹The years indicate the number of years until the bond is scheduled to mature based on the statement end date. Some bonds may be called, or paid in full, before their stated maturity.

THE VAUGHN FOUNDATION ACCT P65245006
For the Period 1/1/09 to 12/31/09

Fixed Income Detail

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Interest	Yield
US Fixed Income - Taxable							
JPMORGAN INTERNATIONAL CURRENCY INCOME FUND 30-Day Annualized Yield: 1.20% 4812A3-29-6	4,549.591	10.75	48,908.10	50,000.00	(1,091.90)	27.29	0.06%
JPMORGAN STRATEGIC INCOME OPPORTUNITIES FUND 3844 30-Day Annualized Yield: 2.76% 4812A4-35-1	34,904.014	11.59	404,537.52	400,000.00	4,537.52	14,485.16	3.58%
JPMORGAN CORE BOND FUND SELECT SHARE CLASS FUND 3720 30-Day Annualized Yield: 4.35% 4812C0-38-1	172,717.206	11.10	1,917,160.99	1,867,018.64	50,142.35	93,440.00	4.87%
JPMORGAN HIGH YIELD BOND FUND SELECT CLASS FUND 3580 30-Day Annualized Yield: 7.59% 4812C0-80-3	26,191.555	7.74	202,722.64	160,000.00	42,722.64	14,614.88	7.21%
Total US Fixed Income - Taxable				\$2,573,329.25	\$2,477,018.64	\$96,310.61	4.76%
						\$122,567.33	
						\$10,409.44	

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THE VAUGHN FOUNDATION ACCT P65245006
For the Period 1/1/09 to 12/31/09

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Interest	Yield
US Fixed Income - Non Taxable							
JPMORGAN TR I TAX AWARE REAL RETURN FUND SELECT SHARE CLASS FUND 982 30-Day Annualized Yield. 1.60% 481242-54-6	30,203.964	9.97	301,133.52	300,000.00	1,133.52	8,366.49 573.88	2.78%

THE VAUGHN FOUNDATION ACCT. P65245006
For the Period 1/1/09 to 12/31/09

Specialty Assets Summary

Asset Categories	Beginning Estimated Value	Ending Estimated Value	Change in Value	Current Allocation	Asset Categories
Oil & Gas	1 00	1.00	0 00	1%	

Specialty Assets Detail

	Estimated Value Estimated Cost	Gross Income	Production Tax	Expenses	Net Income	Depletion	Net Income After Depletion
Oil & Gas							
VARIOUS RI, VARIOUS SURVEYS YOUNG COUNTY, TEXAS ROYALTY INTEREST Bearer 997547-89-6 Percentage of Ownership 100 000 %		1 00 1.00					

THE VAUGHN FOUNDATION ACCT. P65245006
For the Period 1/1/09 to 12/31/09

Other Assets Summary

Asset Categories	Beginning Estimated Value	Ending Estimated Value	Change in Value	Current Allocation	Asset Categories
Structured Investments	504,457.10	1,070,678.10	566,221.00	14%	
Other	514,282.74	0.00	(514,282.74)		
Total Value	\$1,018,739.84	\$1,070,678.10	\$51,938.26	14%	



Other Assets Detail

Structured Investments	Quantity	Price	Estimated Value	Cost	Estimated Gain/Loss
BARC 9M RTY TACTICAL NOTE 07/29/2010 (80% CONTIN BARRIER- 2.0% PMT -7% CAP) INITIAL LEVEL-RTY 10/22/09- 605.11 06739J-F3-1	215,000.000	101.23	217,644.50	213,602.50	4,042.00
BARCLAYS BREN GSCI OIL 8/05/10 GSCI TM CRUDE OIL EXCESS RETURN INDEX, 15% BUFFER, 1.66X LEVERAGE, 58.10% MAX RET, DD 02/05/09 06738Q-F3-7	100,000.000	133.60	133,600.00	98,500.00	35,100.00

THE VAUGHN FOUNDATION ACCT. P65245006
For the Period 1/1/09 to 12/31/09

	Quantity	Price	Estimated Value	Cost	Estimated Gain/Loss
Structured Investments					
BARCLAYS BREN S&P GSCI AG 4/28/11 S&P GSCI AG EXCESS RET INDEX BUFFER 20%, MAX RETURN 38.75% DOWNSIDE LEVERAGE 1.25; DD 04/22/09 06738Q-5G-9	65,000.000	111.30	72,345.00	64,025.00	8,320.00
CREDIT SUISSE BREN AIB 5/03/10 10%BUFFER 2XLEV 10.90%CAP 21.8%MAX DD 05/22/09 22546E-JG-0	75,000.000	116.60	87,450.00	74,250.00	13,200.00
CREDIT SUISSE REN OIH 6/14/10 (3XLEV-9.45%CAP-28.35%MAXPYMT) INITIAL LEVEL-OIH 7/10/09. 91.77 22546E -KW-3	70,000.000	127.58	89,306.00	69,650.00	19,656.00
DEUTSCHE BK SARN SPX 2/24/11 (90/100/100/-10%BUFF-18.8%PYMT) INITIAL LEVEL-SPX 2/06/09 869.89 2515A0-YQ-0	46,000.000	118.64	54,574.40	45,310.00	9,264.40
GS 9M SPX NOTE 08/19/2010 (85% CONTIN BARRIER- 6.6% PMT -AUTO 7% CAP) INITIAL LEVEL-SPX 11/13/09. 1,093.48 38143U-FL-0	150,000.000	102.53	153,787.50	148,875.00	4,912.50
HSBC MKT PLUS SPX 10/15/10 (70% CONTIN BARRIER-3.5% PMT-) INITIAL LEVEL-SPX 04/15/09 856.56 4042KD-WN-1	100,000.000	128.06	128,060.00	99,000.00	29,060.00

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THE VAUGHN FOUNDATION ACCT P65245006
For the Period 1/1/09 to 12/31/09

	Quantity	Price	Estimated Value	Cost	Estimated Gain/Loss
Structured Investments					
MORGAN STANLEY BREN LKD TO ASIA BASKET MAT 06/30/10(10%BUFFER-2XLEV-9.25% CAP-18.5%MAXPMT) INITIAL LEVEL -ASIA BASKET 06/05/09, 100.00 617482-FV-1	119,000 000	112.53	133,910.70	117,810.00	16,100.70
Total Structured Investments			\$1,070,678.10	\$931,022.50	\$139,655.60