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Return of Private Foundation

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

2010

Department of the Treasury
Internal Revenue Service

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

For calendar year 2010, or tax year beginning

, and ending

G Check all that apply:

☐ Initial return☐ Initial return of a former public charity☐ Final return☐ Amended return☐ Address change☐ Name change

Name of foundation LOCKHART VAUGHAN FOUNDATION, INC.		A Employer identification number 52-1693184
Number and street (or P O box number if mail is not delivered to street address) C/O J.B. POWELL, JR., 2 EAST READ ST	Room/suite 100	B Telephone number (410) 837-9400
City or town, state, and ZIP code BALTIMORE, MD 21202		C If exemption application is pending, check here <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 31,801,745.	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
(Part I, column (d) must be on cash basis.)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check <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		580,761.	580,761.		STATEMENT 1
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		714,150.			
b Gross sales price for all assets on line 6a		4,660,395.			
7 Capital gain net income (from Part IV, line 2)			714,150.		
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					
12 Total. Add lines 1 through 11		1,294,911.	1,294,911.		
13 Compensation of officers, directors, trustees, etc		0.			0.
14 Other employee salaries and wages		7,725.			7,725.
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees STMT 2		5,700.	0.		5,700.
c Other professional fees					
17 Interest					
18 Taxes STMT 3		<3,200.>	0.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings		1,367.	0.		1,367.
22 Printing and publications					
23 Other expenses STMT 4		119,814.	101,358.		18,456.
24 Total operating and administrative expenses. Add lines 13 through 23		131,406.	101,358.		33,248.
25 Contributions, gifts, grants paid		1,505,322.			1,505,322.
26 Total expenses and disbursements. Add lines 24 and 25		1,636,728.	101,358.		1,538,570.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		<341,817.>			
b Net investment income (if negative, enter -0-)			1,193,553.		
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		155,352.	76,699.	76,699.
	2	Savings and temporary cash investments		283,812.	173,502.	173,502.
	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 5		6,262,060.	4,684,263.	5,289,549.
	b	Investments - corporate stock STMT 6		7,361,052.	8,070,052.	10,847,036.
	c	Investments - corporate bonds				
11	Investments - land, buildings, and equipment basis ▶					
	Less: accumulated depreciation ▶					
12	Investments - mortgage loans					
13	Investments - other STMT 7		13,194,921.	13,895,702.	15,414,959.	
14	Land, buildings, and equipment: basis ▶					
	Less: accumulated depreciation ▶					
15	Other assets (describe ▶)					
16	Total assets (to be completed by all filers)		27,257,197.	26,900,218.	31,801,745.	
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable				
	22	Other liabilities (describe ▶)				
23	Total liabilities (add lines 17 through 22)		0.	0.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>					
	and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>					
	and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds		27,257,197.	26,900,218.	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.	
	29	Retained earnings, accumulated income, endowment, or other funds		0.	0.	
30	Total net assets or fund balances		27,257,197.	26,900,218.		
31	Total liabilities and net assets/fund balances		27,257,197.	26,900,218.		

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	27,257,197.
2	Enter amount from Part I, line 27a	2	<341,817.>
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	26,915,380.
5	Decreases not included in line 2 (itemize) ▶ COST ADJUSTMENT TO STOCK	5	15,162.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	26,900,218.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a			
b SEE ATTACHED STATEMENT			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e 4,660,395.		3,946,245.	714,150.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(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	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			
c			
d			
e			714,150.

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	714,150.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	3	N/A

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

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

1 Enter the appropriate amount in each column for each year; see instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	1,299,675.	27,091,675.	.047973
2008	1,617,450.	30,891,336.	.052359
2007	1,826,187.	36,421,868.	.050140
2006	1,608,217.	33,095,271.	.048594
2005	1,486,662.	31,763,490.	.046804

2 Total of line 1, column (d)	2	.245870
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	.049174
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	30,356,669.
5 Multiply line 4 by line 3	5	1,492,759.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	11,936.
7 Add lines 5 and 6	7	1,504,695.
8 Enter qualifying distributions from Part XII, line 4	8	1,538,570.

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 <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	11,936.
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	11,936.
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	11,936.
6 Credits/Payments:			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	32,106.	
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	32,106.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	20,170.	
11 Enter the amount of line 10 to be: Credited to 2011 estimated tax <input checked="" type="checkbox"/> 20,170. Refunded <input type="checkbox"/>	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
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
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input checked="" type="checkbox"/> \$ 0. (2) On foundation managers. <input checked="" type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input checked="" type="checkbox"/> \$ 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) <input checked="" type="checkbox"/> MD		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>N/A</u>	13	X	
14	The books are in care of ► <u>JOHN B. POWELL, JR.</u> Telephone no. ► <u>(410) 837-9400</u> Located at ► <u>2 EAST READ ST SUITE 100, BALTIMORE, MD</u> ZIP+4 ► <u>21202</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 <u>N/A</u>			
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	Yes	No
				X

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input 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 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>	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 2010?	1c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ► _____		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.) <u>N/A</u>	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► _____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.) <u>N/A</u>	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b	X

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No**b** If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

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

N/A

☐ Yes ☐ No

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?☐ Yes ☒ No**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

6b

X

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

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No**b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 8		0.	0.	0.

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

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

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

0

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

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

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

0

Part IX-A**Summary of Direct Charitable Activities**

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

	Expenses
1 N/A	
2	
3	
4	

Part IX-B**Summary of Program-Related Investments**

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

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	30,615,706.
b	Average of monthly cash balances	1b	203,247.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	30,818,953.
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	30,818,953.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	462,284.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	30,356,669.
6	Minimum investment return. Enter 5% of line 5	6	1,517,833.

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	1,517,833.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	11,936.
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	11,936.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,505,897.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	1,505,897.
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	1,505,897.

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	1,538,570.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,538,570.
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	11,936.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,526,634.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				1,505,897.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			373,805.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2010 from Part XII, line 4: ▶ \$ 1,538,570.				
a Applied to 2009, but not more than line 2a			373,805.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2010 distributable amount				1,164,765.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				341,132.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year SEE ATTACHED STATEMENT 10				1,505,322.
Total			▶ 3a	1,505,322.
b Approved for future payment NONE				
Total			▶ 3b	0.

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

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

[illegible]

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

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

**Sign
Here**

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

Signature of officer or trustee

18/9/2011
Date

Expensive Director

Print/Type preparer's name

Preparer's signature _____

Date _____

Check ☐ if self-employed

PTIN

**Paid
Preparer
Use Only**

MICHAEL W. BENDER

Preparer's signature

8/8/10

PO0100419

Firm's name ► **RSM MCGLADREY, INC.**

Firm's EIN ▶

Firm's address ▶ 100 INTERNATIONAL DRIVE, SUITE 1400
BALTIMORE, MD 21202

Phone no. (410) 246-9300

Form **990-PF** (2010)

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 PUBLICLY TRADED SECURITIES				
b VANGUARD INSTITUTIONAL INDEX FUND		P	VARIOUS	VARIOUS
c VANGUARD TOTAL BOND MARKET INDEX FUND		P	VARIOUS	VARIOUS
d HARDING LOEVNER INTERNATIONAL		P	VARIOUS	VARIOUS
e VANGUARD TRUSTEES EQUITY FUND INTERNATIONAL PORTE		P	VARIOUS	VARIOUS
f ABERDEEN EMERGING MARKETS		P	VARIOUS	VARIOUS
g TROWE PRICE NEW ERA FUND		P	VARIOUS	VARIOUS
h				
i				
j				
k				
l				
m				
n				
o				

(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 2,025,395.		1,692,867.	332,528.
b 250,000.		199,557.	50,443.
c 1,850,000.		1,601,147.	248,853.
d 110,000.		148,188.	<38,188.>
e 50,000.		68,576.	<18,576.>
f 275,000.		158,616.	116,384.
g 100,000.		77,294.	22,706.
h			
i			
j			
k			
l			
m			
n			
o			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(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	(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			332,528.
b			50,443.
c			248,853.
d			<38,188.>
e			<18,576.>
f			116,384.
g			22,706.
h			
i			
j			
k			
l			
m			
n			
o			

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	714,150.
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

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES		STATEMENT	1
SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT	
ABERDEEN EMERGING MARKETS	13,562.	0.	13,562.	
MERCANTILE MONEY MARKET FUND	246.	0.	246.	
MERCANTILE STOCKS	76,439.	0.	76,439.	
PIMCO COMMODITIES	26,275.	0.	26,275.	
T. ROWE PRICE NEW ERA FUND	14,569.	0.	14,569.	
U.S. GOVT INTEREST	336.	0.	336.	
VANGUARD BOND MARKET INDEX FUND	275,085.	0.	275,085.	
VANGUARD INSTITUTIONAL INDEX FUND	150,652.	0.	150,652.	
VANGUARD IPS	23,597.	0.	23,597.	
TOTAL TO FM 990-PF, PART I, LN 4	580,761.	0.	580,761.	

FORM 990-PF	ACCOUNTING FEES		STATEMENT	2
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	5,700.	0.		5,700.
TO FORM 990-PF, PG 1, LN 16B	5,700.	0.		5,700.

FORM 990-PF	TAXES		STATEMENT	3
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL INCOME TAX PAYMENTS	5,000.	0.		0.
FEDERAL INCOME TAX REFUND	<8,200.>	0.		0.
TO FORM 990-PF, PG 1, LN 18	<3,200.>	0.		0.

FORM 990-PF	OTHER EXPENSES			STATEMENT	4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
MANAGEMENT FEES	84,611.	84,611.		0.	
SUBSCRIPTIONS & DUES	300.	0.		300.	
OFFICE EXPENSES	18,156.	0.		18,156.	
INVESTMENT EXPENSES	16,747.	16,747.		0.	
TO FORM 990-PF, PG 1, LN 23	119,814.	101,358.		18,456.	

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS			STATEMENT	5
DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE	
VANGUARD BOND INDEX FUND	X		4,684,263.	5,289,549.	
TOTAL U.S. GOVERNMENT OBLIGATIONS			4,684,263.	5,289,549.	
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS					
TOTAL TO FORM 990-PF, PART II, LINE 10A			4,684,263.	5,289,549.	

FORM 990-PF	CORPORATE STOCK		STATEMENT	6
DESCRIPTION			BOOK VALUE	FAIR MARKET VALUE
MERCANTILE STOCKS - STMT 9			1,340,600.	1,780,717.
VANGUARD INSTITUTIONAL INDEX FUND			6,729,452.	9,066,319.
TOTAL TO FORM 990-PF, PART II, LINE 10B			8,070,052.	10,847,036.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	7
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
ABERDEEN EMERGING MARKETS	COST	866,831.	1,571,467.
PIMCO COMMODITIES REAL RETURN	COST	491,798.	588,920.
T. ROWE PRICE NEW ERA FUND	COST	895,244.	1,291,565.
VANGUARD IPS	COST	863,156.	924,319.
WEATHERLOW OFFSHORE FUND	COST	5,150,000.	5,397,538.
HARDING LOEVNER INTERNATIONAL	COST	5,628,673.	5,641,150.
TOTAL TO FORM 990-PF, PART II, LINE 13		13,895,702.	15,414,959.

FORM 990-PF	PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS	STATEMENT	8
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NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
SUSAN BAKER POWELL 2 EAST READ ST. STE 100 BALTIMORE, MD 21202	TRUSTEE 0.00	0.	0.	0.
JULIA B. SCHNUPP 2 EAST READ ST. STE 100 BALTIMORE, MD 21202	TRUSTEE 0.00	0.	0.	0.
BENJAMIN M. BAKER, III 2 EAST READ ST. STE 100 BALTIMORE, MD 21202	TRUSTEE 0.00	0.	0.	0.
JULIA P. O'BRIEN 2 EAST READ ST. STE 100 BALTIMORE, MD 21202	TRUSTEE 0.00	0.	0.	0.
BRETNALL M. POWELL 2 EAST READ ST. STE 100 BALTIMORE, MD 21202	TRUSTEE 0.00	0.	0.	0.
KEVIN A. SCHNUPP 2 EAST READ ST. STE 100 BALTIMORE, MD 21202	TRUSTEE 0.00	0.	0.	0.

LOCKHART VAUGHAN FOUNDATION, INC.

52-1693184

DAVID B. POWELL	TRUSTEE			
2 EAST READ ST. STE 100	0.00	0.	0.	0.
BALTIMORE, MD 21202				
KATE R. POWELL	TRUSTEE			
2 EAST READ ST. STE 100	0.00	0.	0.	0.
BALTIMORE, MD 21202				
MARY ETHERTON	TRUSTEE			
2 EAST READ ST. STE 100	0.00	0.	0.	0.
BALTIMORE, MD 21202				
JOHN B. POWELL, JR	SECRETARY/TREASURER			
2 EAST READ ST. STE 100	15.00	0.	0.	0.
BALTIMORE, MD 21202				
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

LOCKHART VAUGHAN FOUNDATION, INC.**52-1693184****2010 LIST OF GRANTS – CHRONOLOGICAL**

	<u>ORGANIZATION</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
1/7/10	Association of Baltimore Area Grantmakers 2 East Read Street, 8th Floor Baltimore, MD 21202	Community Development: Educational programs and “best practices” for Baltimore area foundations.	\$4,200
3/2/10	Clayton Library Friends, Inc. PO Box 271078 Houston, TX 77277-1078	Capital campaign to restore Clayton Library for Genealogical Research.	100,000
3/16/10	Teach for America 2601 North Howard Street, Suite 300 Baltimore, MD 21218	Education: Recruit, train, and support new teachers in Baltimore public schools.	30,000
3/30/10	Advocates for Children and Youth 8 Market Place, 5 th Floor Baltimore, MD 21202	Education: General support of research, education, and advocacy of children’s issues.	20,000
3/30/10	Baltimore Community Foundation, fiscal agent for Middle Grades Partnership 2 East Read Street Baltimore, MD 21202	Education: Middle Grades Partnership summer learning program for public middle school students.	25,000
3/30/10	Baltimore Urban Debate League Miller’s Court 2601 N. Howard Street, Suite 150 Baltimore, MD 21218	Education: Debate clubs and competition for Baltimore public middle and high schools.	30,000
3/30/10	Children’s Scholarship Fund Baltimore, Inc. 2300 N. Charles Street Baltimore, MD 21218	Education: Scholarship assistance for Baltimore families.	35,000
3/30/10	Dyslexia Tutoring Program 711 W. 40 th Street, Suite 310 Baltimore, MD 21211	Education: Summer tutoring program for children with dyslexia.	10,000
3/30/10	Enterprise Community Partners, Inc. 312 N. Martin Luther King, Jr. Boulevard Third Floor Baltimore, MD 21201	Education: “HIPPY” program during transition to Druid Heights Community Development Corporation.	20,000

	<u>ORGANIZATION</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
3/30/10	Gilman School 5407 Roland Avenue Baltimore, MD 21210	Education: "Baltimore Independent School Learning Camp" for Baltimore public school students.	5,000
3/30/10	Jones Falls Watershed Association 3000 Chestnut Avenue, Suite 100 Baltimore, MD 21211	Environment: To support Baltimore Water Alliance.	15,000
3/30/10	Maryland Nonprofits 190 West Ostend Street – Suite 201 Baltimore, MD 21230	Community Development: Technical assistance to Maryland nonprofits.	10,000
3/30/10	St. Paul's School 11152 Falls Road/PO Box 8100 Brooklandville, MD 21022-8100	Education: "Bridges" summer learning program for Baltimore public school students.	12,000
3/30/10	St. Vincent de Paul of Baltimore 2305 N. Charles Street, Suite 300 Baltimore, MD 21218	Education: "Learn to Earn" jobs training program in Park Heights area.	30,000
4/5/10	Mother Seton Academy 2215 Greenmount Avenue Baltimore, MD 21218	Education: Equipment for new school	20,000
4/12/10	Union of Concerned Scientists Two Brattle Square Cambridge, MA 02238-9105	Environment: Support for the work of Alden Meyer and his team on global warming.	15,000
5/25/10	Baltimore Medical System The Ian J. Gray Building 3501 Sinclair Lane Baltimore, MD 21213	Environment: Rain garden and landscaping for new building in Highlandtown.	13,230
5/25/10	Tunbridge Charter Elementary School c/o AFYA 2800 Brendan Avenue Baltimore, MD 21213	Education: Start-up facility costs for new charter school.	20,000
6/2/10	Open Society Institute 201 North Charles Street, Suite 1300 Baltimore, MD 21201	Community Development: Drug Addiction Treatment Program.	50,000

	<u>ORGANIZATION</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
6/9/10	International Rescue Committee 3516 Eastern Avenue Baltimore, MD 21224	Education: Support summer program for newly arrived refugee youth.	10,000
7/13/10	Enoch Pratt Free Library 400 Cathedral Street Baltimore, MD 21201	Community Development: Capital campaign for Enoch Pratt Free Library.	25,000
7/14/10	American Civil Liberties Union of Maryland 3600 Clipper Mill Road, Suite 350 Baltimore, MD 21211	Education: Advocacy, education, and mobilization around adequate State funding for Baltimore public education.	50,000
7/14/10	Baltimore Community Foundation, fiscal agent for Pierce's Park 2 East Read Street Baltimore, MD 21202	Community Development: Development of Pierce's Park in downtown Baltimore.	30,000
7/14/10	Building Educated Leaders for Life ("BELL") 60 Clayton Street Dorchester, MA 02122	Education: Summer education programs for Baltimore public school students.	15,000
7/14/10	Community Law Center 3355 Keswick Road, Suite 200 Baltimore, MD 21211	Community Development: Free legal services for Baltimore neighborhood groups.	20,000
7/14/10	Enoch Pratt Free Library 400 Cathedral Street Baltimore, MD 21201	Education: Summer Reading Program.	20,000
7/14/10	Everyman Theatre 1727 N. Charles Street Baltimore, MD 21201	Education: Theater matinee series for Baltimore high schools.	12,500
7/14/10	Friends of Patterson Park 27 South Patterson Park Avenue Baltimore, MD 21231	Community Development: Foster community support of Patterson Park.	7,500

	<u>ORGANIZATION</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
7/14/10	Greater Homewood Community Corporation, fiscal agent c/o Ms. Anne S. Perkins 315 Tuscany Road Baltimore, MD 21210	Community Development: For concept plan for a trail along Stoney Run from Cold Spring Lane to 29 th Street.	1,000
7/14/10	KIPP Baltimore 4701 Greenspring Avenue Baltimore, MD 21209	Education: Gap funding at KIPP Harmony Academy.	50,000
7/14/10	National Museum of Ceramic Art & Glass, Inc. 2406 Shelleydale Drive Baltimore, MD 21209	Education: Support the Ceramic Arts Middle School Program in 46 Baltimore City public schools.	10,000
7/14/10	Neighborhood Design Center 1401 Hollins Street Baltimore, MD 21223	Community Development: Free design help for Baltimore non-profit organizations and neighborhoods.	10,000
7/14/10	Parks & People Foundation for SuperKids Camp Stieff Silver Building 800 Wyman Park Drive - Suite 010 Baltimore, MD 21211	Education: Summer learning for 1,000 rising first and second grade Baltimore public school students.	20,000
7/14/10	Village Learning Place 2521 Saint Paul Street Baltimore, MD 21218	Education: Help support summer learning program.	10,000
11/16/10	Baltimore Leadership School for Young Women PO Box 41582 Baltimore, MD 21203	Education: Start-up facility costs for new charter school.	20,000
11/16/10	Southwest Baltimore Charter School 1300 Herkimer Street Baltimore, MD 21223	Education: Start-up facility costs for new charter school.	20,000
11/18/10	Arts Education in Maryland Schools Alliance 175 W. Ostend Street, Suite A-3 Baltimore, MD 21230	Education: Promoting arts education in Maryland schools.	10,000

	<u>ORGANIZATION</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
11/18/10	Baltimore Community Foundation, fiscal agent for Central Maryland Transportation Alliance 2 East Read Street Baltimore, MD 21202	Environment: Central Maryland Transportation Alliance to advocate for transportation system.	25,000
11/18/10	Baltimore Jesuit Educational Initiative, Inc. for Christo Rey Jesuit High School 420 S. Chester Street Baltimore, MD 21231	Education: Scholarships for Cristo Rey Jesuit High School.	50,000
11/18/10	Baltimore Montessori, Inc. Baltimore Montessori Charter School 204 Oakdale Road Baltimore, MD 21210	Education: Gap-funding for the middle school.	30,000
11/18/10	Baltimore School for the Arts Foundation, Inc. 712 Cathedral Street Baltimore, MD 21201	Education: "TWIGS" after-school and Saturday programs.	25,000
11/18/10	Building Science Technology and Education Partnerships, Inc. PO Box 1393 Brooklandville, MD 21022-1393	Education: Student internships in STEM.	15,000
11/18/10	Chesapeake Bay Foundation Philip Merrill Environmental Center 6 Herndon Avenue Annapolis, MD 21403	Environment: Improvement of the Chesapeake Bay.	30,000
11/18/10	CollegeBound Foundation The Canton House 300 Water Street – Suite 300 Baltimore, MD 21202	Education: College counseling and last- dollar scholarships for Baltimore high school students.	25,000
11/18/10	Greater Homewood Community Corporation, fiscal agent c/o Ms. Anne S. Perkins 315 Tuscany Road Baltimore, MD 21210	Community Development: For concept plan for a trail along Stoney Run from Cold Spring Lane to 29 th Street.	7,000
11/18/10	Hampden Family Center 1104-1108 West 36 th Street Baltimore, MD 21211	Education: After school enrichment program.	18,000

	<u>ORGANIZATION</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
11/18/10	Herring Run Watershed Alliance, fiscal agent for Baltimore Water Alliance, Inc. 3545 Belair Road Baltimore, MD 21213	Environment: To support Baltimore Water Alliance.	25,000
11/18/10	Incentive Mentoring Program, Inc. PO Box 1584 Baltimore, MD 21203	Education: Tutoring and mentoring program at Dunbar High School and Academy for College and Career Exploration High School to achieve high school diploma and college admission.	15,000
11/18/10	Ingenuity Project Baltimore Polytechnic Institute 1400 West Cold Spring Lane Baltimore, MD 21209	Education: Advanced math and science courses for Baltimore middle/high school students.	30,000
11/18/10	Jubilee Baltimore 1228 N. Calvert Street Baltimore, MD 21202	Community Development: Help defray the general operating expenses.	10,000
11/18/10	New Leaders, Inc. 1 East Mount Royal Avenue, 2 nd Floor Baltimore, MD 21202	Education: New Leaders for New Schools to recruit, train, and support new school principals in Baltimore public schools.	45,000
11/18/10	Playworks Education Energized for Playworks Baltimore 2601 N. Howard Street, Suite 310 Baltimore, MD 21218	Education: Recess and sports programs in Baltimore City public schools.	20,000
11/18/10	Roland Park Public Education and Enrichment Fund 5307 Falls Road Terrace Baltimore, MD 21210	Education: Start-up costs for writing curriculum and writing center.	10,000
11/18/10	Second Chance 1400 Warner Street Baltimore, MD 21230	Community Development: To expand operation.	35,000

	<u>ORGANIZATION</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
12/1/10	Children's Scholarship Fund Baltimore, Inc. 2300 N. Charles Street Baltimore, MD 21218	Education: Scholarship assistance for Baltimore families.	16,223
12/1/10	Derryfield School 2108 River Road Manchester, NH 03104-1396	Education: Capital Campaign – Gateway Building	10,000
12/1/10	Emmanuel Episcopal Church 811 Cathedral Street Baltimore, MD 21202	Expenses of Search Committee.	16,223
12/1/10	Maryland General Hospital 827 Linden Avenue Baltimore, MD 21201	General support.	16,223
12/1/10	St. John's Episcopal Church 679 Farmington Avenue West Hartford, CT 06119	Operations and programs of St. John's Episcopal Church.	10,000
12/1/10	Union Memorial Hospital Foundation 201 E. University Parkway Baltimore, MD 21218-2895	General support.	16,223
12/14/10	American Red Cross Central Maryland Chapter 4800 Mount Hope Drive Baltimore, MD 21215	Disaster Relief	25,000
12/14/10	Everyman Theatre 1727 N. Charles Street Baltimore, MD 21201	Community Development: Capital campaign to restore Town Theatre.	25,000
12/14/10	Fuel Fund of Maryland 305 W. Chesapeake Avenue, Suite 115 Baltimore, MD 21204-4435	General support.	25,000
12/14/10	Healthcare for the Homeless 421 Fallsway Baltimore, MD 21202	Building Maintenance Fund.	25,000
12/14/10	Kennedy Krieger Institute 707 North Broadway Baltimore, MD 21205	General support.	25,000

	<u>ORGANIZATION</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
12/14/10	Maryland Food Bank 2200 Halethorpe Farms Road Baltimore, MD 21227	General support.	25,000
12/14/10	Salvation Army PO Box 27100 Baltimore, MD 21230-0100	General support.	21,000
12/14/10	South Baltimore Learning Center 28 East Ostend Street Baltimore, MD 21230	Education: Adult computer training.	4,000
12/14/10	William H. M. Finney Foundation Shepherd's Clinic 2800 Kirk Avenue Baltimore, MD 21218-3647	Reserve fund for Shepherd's Clinic.	25,000
			\$1,505,322

Lockhart Vaughan Foundation, Inc.

Statement of Purposes

The Lockhart Vaughan Foundation directs its grants toward four goals in Baltimore, Maryland.

Goal: Baltimore children will have access to a quality public education in pre-K through 12th grade.

Strategies:

- Strengthen the reading readiness instruction in pre-K and Kindergarten programs in Baltimore.
- Support programs that challenge motivated students in Baltimore's public schools.
- Support the recruitment, training, and mentoring of able instructional leaders to be principals of Baltimore public schools.
- Support cost-effective, school-based after-school programs.
- Support summer learning opportunities.

The trustees will favor programs that have intense and sustained contact with students with a consistent message of high expectations.

Goal: Baltimore families will have more choices for their children's education.

Strategies:

- Provide financial aid to Baltimore independent schools that are uniquely capable of high student performance and that help stabilize inner-city neighborhoods. Grants will not be made for annual operating expenses.
- Provide start-up facility grants to charter schools in Baltimore.

Goal: Baltimore residents will enjoy good parks, a greener environment, and a cleaner Chesapeake Bay with healthy watersheds.

Strategies:

- Encourage neighborhood involvement in the maintenance and beautification of Baltimore's public parks through effective partnerships with Baltimore's Department of Recreation and Parks.
- Support greening efforts in Baltimore that are visible to the wider community.
- Support efforts to improve the Chesapeake Bay and its watersheds in Baltimore.

Goal: Baltimore will be a city with vibrant neighborhoods.

Strategies:

- Support community organizations that have a record of attracting financial investments in their neighborhood revitalization efforts.
- Support organizations that provide technical assistance and enhance the capabilities of groups that are working for community development in Baltimore.

Grant Application

The Lockhart Vaughan Foundation has adopted the Association of Baltimore Area Grantmakers ("ABAG") Common Grant Application Format which can be found at www.abagmd.org. If you cannot access these materials, you may call us at 410-837-9400 and we will send a copy.

A Grant Application should be **submitted in duplicate** and should include a cover letter, a proposal narrative, and attachments, all as outlined in the ABAG Common Grant Application Format.

If you believe that your proposal fits within the goals and strategies of the Foundation, a completed grant application should be sent to:

John B. Powell, Jr., Executive Director
Lockhart Vaughan Foundation, Inc.
2 East Read Street, Suite 100
Baltimore, MD 21202

Deadlines for submission of grant applications are **February 20th**, **June 20th**, and **October 20th**. If the deadline falls on a weekend, the deadline is the following Monday. Grant Applications must be received before 5:00 p.m. on the deadline date.

An initial review is made of every Grant Application that is received. If it is determined that a Grant Application is not within the Foundation's purposes or that the Foundation does not have adequate funds, the organization will be notified as soon as possible. Otherwise, the Foundation will endeavor to inform each organization that submitted a Grant Application of its decision within sixty (60) days following the deadline date.

PORTFOLIO APPRAISAL
Lockhart Foundation

December 31, 2010

Quantity	Symbol	Security	Purchase Date	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unrealized Gain/Loss	Annual Income	Cur. Yield
COMMON STOCK- usd											
Energy											
2,067 00	CLNE	Clean Energy Fuels	06-28-10	16 85	34,827	13 84	28,607	1 6	-6,220 S	0	0 0
1,248 00	EXXI	Energy XXI Bermuda Ltd	04-08-10	16 21	20,234	27 67	34,532	1 9	14,298 S	0	0 0
1,732 00	GPOR	Gulfport Energy Corp	12-09-09	10 70	18,528	21 68	37,550	2 1	19,022 L	0	0 0
4,701 00	SD	SandRidge Energy Inc	09-22-10	4 60	21,618	7 32	34,411	1 9	12,793 S	0	0 0
					95,207		135,101	7 5	20,871 S	0	0 0
									19,022 L		
Industrials											
655 00	ALGT	Allegiant Travel Co	10-07-09	40 04	26,226	49 24	32,252	1 8	6,027 L	0	0 0
2,090 00	GTLS	Chart Industries	04-07-10	19 60	40,966	33 78	70,600	3 9	29,634 S	0	0 0
921 00	CPRT	Copart Inc	02-19-09	31 82	29,305	37 35	34,399	1 9	5,094 L	0	0 0
655 00	FWRD	Forward Air Corp	05-16-08	34 69	22,725	28 38	18,589	1 0	-4,136 L	183	1 0
949 00	HXL	Hexcel Corporation	07-09-09	8 78	8,332	18 09	17,167	1 0	8,835 L	0	0 0
1,993 00	INSU	Insituform Tech	04-27-09	17 08	34,032	26 51	52,834	2 9	18,803 L	0	0 0
589 00	KEX	Kirby Corp	02-19-09	23 16	13,641	44 05	25,945	1 4	12,305 L	0	0 0
1,420 00	MRTN	Marten Transport Ltd	10-07-09	18 27	25,945	21 38	30,360	1 7	4,414 L	114	0 4
2,193 00	MTZ	Mastec Inc	01-12-10	13 16	28,869	14 59	31,996	1 8	3,127 S	0	0 0
293 00	MIDD	Middleby Corp	09-13-10	62 84	18,412	84 42	24,735	1 4	6,324 S	0	0 0
1,737 00	MINI	Mobile Mini Inc	11-19-09	15 58	27,069	19 69	34,202	1 9	7,132 L	0	0 0
2,162 00	ORB	Orbital Sciences Corp	01-19-10	16 45	35,570	17 13	37,035	2 1	1,465 S	0	0 0
					311,092		410,115	22 8	40,549 S	297	0 1
									58,474 L		
Consumer Discretionary											
1,420 00	ARB	Arbitron Inc	01-07-10	24 97	35,460	41 52	58,958	3 3	23,498 S	568	1 0
2,709 00	CHS	Chicos Fas Inc	12-01-10	12 46	33,747	12 03	32,589	1 8	-1,157 S	433	1 3
654 00	CSTR	Coinstar Inc	12-01-09	29 30	19,162	56 44	36,912	2 1	17,750 L	0	0 0
403 00	FOSL	Fossil Inc	03-13-09	13 66	5,506	70 48	28,403	1 6	22,897 L	0	0 0
1,576 00	HBI	Hanesbrands Inc	11-17-10	26 69	42,065	25 40	40,030	2 2	-2,034 S	0	0 0
809 00	LRN	K12 Inc	04-20-09	16 82	13,609	28 66	23,186	1 3	9,577 L	0	0 0
276 00	LULU	Lululemon Athletica	07-01-09	13 04	3,599	68 42	18,884	1 1	15,285 L	0	0 0
1,809 00	MW	Men's Wearhouse Inc	12-20-10	24 79	44,839	24 98	45,189	2 5	350 S	651	1 4
734 00	ORLY	O Reilly Automotive Inc	07-18-08	26 17	19,211	60 42	44,348	2 5	25,138 L	0	0 0
1,663 00	PBY	The Pep Boys	01-07-10	8 96	14,892	13 43	22,334	1 2	7,442 S	200	0 9
					232,089		350,834	19 5	28,099 S	1,852	0 5
									90,646 L		
Consumer Staples											
1,964 00	DAR	Darling Intl Inc	07-08-09	6 38	12,528	13 28	26,082	1 5	13,554 L	0	0 0
632 00	DMND	Diamond Foods Inc	07-06-10	42 33	26,756	53 18	33,610	1 9	6,854 S	114	0 3
1,605 00	RDEN	Elizabeth Arden Inc	11-17-10	21 46	34,448	23 01	36,931	2 1	2,483 S	0	0 0
					73,732		96,623	5 4	9,337 S	114	0 1
									13,554 L		
Health Care											
331 00	ALOG	Analogic Corp	07-31-08	51 47	17,036	49 51	16,388	0 9	-648 L	132	0 8
764 00	CHSI	Catalyst Health Solutions Inc	08-16-10	40 73	31,120	46 49	35,518	2 0	4,398 S	0	0 0
632 00	EMS	Emergency Medical Svcs Corp	11-12-07	30 90	19,527	64 61	40,834	2 3	21,307 L	0	0 0
1,916 00	HGR	Hanger Orthopedic Group Inc	06-24-10	18 07	34,615	21 19	40,600	2 3	5,985 S	0	0 0
997 00	IPCM	IPC The Hospitalist Co Inc	04-30-10	31 00	30,909	39 01	38,893	2 2	7,984 S	0	0 0
746 00	MATK	Martek Biosciences Corp	04-29-10	22 07	16,463	31 30	23,350	1 3	6,886 S	0	0 0

PORTFOLIO APPRAISAL
Lockhart Foundation

December 31, 2010

Quantity	Symbol	Security	Purchase Date	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unrealized Gain/Loss	Annual Income	Cur. Yield
982 00	OMI	Owens & Minor Inc	12-30-09	29 03	28,509	29 43	28,900	1 6	391 L	695	2 4
1,189 00	PKI	Perkinelmer Inc	01-05-06	24 01	28,551	25 82	30,700	1 7	2,149 L	333	1 1
956 00	QCOR	Questcor Pharmaceuticals	10-29-10	12 30	11,755	14 73	14,082	0 8	2,327 S	0	0 0
1,251 00	THOR	Thoratec Corp	12-28-10	28 83	36,067	28 32	35,428	2 0	-639 S	0	0 0
					254,553		304,693	17 0	26,941 S	1,161	0 4
									23,199 L		
Financials											
1,683 00	FMER	FirstMerit Corp	08-27-09	18 65	31,393	19 79	33,307	1 9	1,914 L	1,077	3 2
668 00	SBNY	Signature Bank	03-17-08	25 89	17,298	50 06	33,440	1 9	16,142 L	0	0 0
2,622 00	SBIB	Sterling Bancshares Inc	04-06-10	5 98	15,670	7 02	18,406	1 0	2,737 S	157	0 9
					64,360		85,153	4 7	2,737 S	1,234	1 4
									18,056 L		
Information Technology											
1,600 00	ARBA	Ariba Inc	10-10-08	7 90	12,642	23 49	37,584	2 1	24,942 L	0	0 0
492 00	BBBB	Blackboard Inc	08-28-08	40 55	19,949	41 30	20,320	1 1	370 L	0	0 0
959 00	DBD	Diebold Inc	09-24-10	30 86	29,599	32 05	30,736	1 7	1,137 S	1,036	3 4
6,587 00	ENTG	Entegris Inc	04-30-10	5 34	35,203	7 47	49,205	2 7	14,002 S	0	0 0
1,683 00	FEIC	FEI Company	12-01-08	18 37	30,913	26 41	44,448	2 5	13,535 L	0	0 0
1,528 00	IN	Intermec Inc	12-14-07	20 54	31,390	12 66	19,344	1 1	-12,046 L	0	0 0
1,057 00	IPGP	IPG Photonics Corp	08-13-08	21 00	22,192	31 62	33,422	1 9	11,230 L	0	0 0
2,699 00	JDSU	JDS Uniphase Corp Com Par \$0 001	09-08-10	10 79	29,110	14 48	39,082	2 2	9,971 S	0	0 0
1,093 00	OSIS	OSI Systems Inc	06-07-10	27 25	29,781	36 36	39,741	2 2	9,960 S	0	0 0
639 00	PLCM	Polycorn Inc	10-16-08	20 03	12,799	38 98	24,908	1 4	12,110 L	0	0 0
1,885 00	VCLK	ValueClick Inc	07-14-10	11 47	21,629	16 03	30,217	1 7	8,588 S	0	0 0
					275,209		369,007	20 6	43,658 S	1,036	0 3
									50,140 L		
COMMON STOCK- usd Total					1,306,241		1,751,526	97 6	172,192 S	5,694	0 3
									273,093 L		
AMERICAN DEPOSITORY RECEIPTS- usd											
Health Care											
1,285	ICLR	Icon PLC Spons ADR	03-26-10	26 74	34,359	21 90	28,141	1 6	-6,218 S	0	0 0
					34,359		28,141	1 6	-6,218 S	0	0 0
AMERICAN DEPOSITORY RE Total					34,359		28,141	1 6	-6,218 S	0	0 0

1,306,241.00 +
34,359.00 +

Total Cost 1,340,600.00 *

1,751,526.00 +
28,141.00 +

Total Market Value 1,779,667.00 *

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

► **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed)

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete

Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization LOCKHART VAUGHAN FOUNDATION, INC.	Employer identification number 52-1693184
File by the due date for filing your return. See instructions	Number, street, and room or suite no. If a P.O. box, see instructions C/O J.B. POWELL, JR., 2 EAST READ ST., NO. 100	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions BALTIMORE, MD 21202	

Enter the Return code for the return that this application is for (file a separate application for each return)

04

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

JOHN B. POWELL, JR.

- The books are in the care of ► **2 EAST READ ST SUITE 100 - BALTIMORE, MD 21202**

Telephone No ► **(410) 837-9400**

FAX No ►

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for

- 1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **AUGUST 15, 2011**, to file the exempt organization return for the organization named above. The extension is for the organization's return for
► ☒ calendar year **2010** or
► ☐ tax year beginning , and ending .

- 2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return
☐ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	3a	\$	11,936.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	32,106.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA For Paperwork Reduction Act Notice, see Instructions.

Form **8868** (Rev. 1-2011)