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

2012

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 2012, or tax year beginning

, 2012, and ending

Name of foundation

Urban Development Foundation, Inc.

Number and street (or P O box number if mail is not delivered to street address)

5630 Dyer Street

City or town

Dallas

State ZIP code

TX 75206

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

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

I Fair market value of all assets at end of year (from Part II, column (c), line 16) **\$ 1,278,932.** J Accounting method Cash Accrual
 Other (specify)

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

A Employer identification number
23-7028475

B Telephone number (see the instructions)
(214) 750-8300

C If exemption application is pending, check here ►
D 1 Foreign organizations, check here ►
E 2 Foreign organizations meeting the 85% test, check here and attach computation ►
F If private foundation status was terminated under section 507(b)(1)(A), check here ►
G 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 instructions))

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE	1 Contributions, gifts, grants, etc. received (att sch)				
	2 Ck ► <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	6,346.	6,346.		
	4 Dividends and interest from securities	12,003.	12,003.		
	5a Gross rents b Net rental income or (loss) 97,189.	97,189.	97,189.		
	6a Net gain/(loss) from sale of assets not on line 10 b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)		262.		
	8 Net short-term capital gain			2,861.	
	9 Income modifications				
	10a Gross sales less returns and allowances b Less Cost of goods sold				
	c Gross profit/(loss) (att sch)				
	11 Other income (attach schedule) See Line 11 Stmt	11,489.			
	12 Total. Add lines 1 through 11	127,027.	115,800.	2,861.	
ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule) b Accounting fees (attach sch) I-16b Stmt	2,600.			
	c Other prof fees (attach sch)				
	17 Interest				
	18 Taxes (attach schedule)(see instrs) Real Estate Taxes	1,233.			
	19 Depreciation (attach sch) and depletion	1,602.			
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) See Line 23 Stmt	9,590.			
	24 Total operating and administrative expenses. Add lines 13 through 23	15,025.			
	25 Contributions, gifts, grants paid	18,223.			
	26 Total expenses and disbursements. Add lines 24 and 25	33,248.			
	27 Subtract line 26 from line 12: a Excess of revenue over expenses and disbursements b Net investment income (if negative, enter -0) c Adjusted net income (if negative, enter -0)	93,779.	115,800.	2,861.	

64 18

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
A S S E T S	1 Cash – non-interest-bearing		56,435.	11,150.	11,150.
	2 Savings and temporary cash investments		144,876.	152,842.	152,842.
	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 (attach schedule) (see instructions)		156,837.	69,944.	69,944.
	7 Other notes and loans receivable (attach sch)	►			
	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)				
	b Investments – corporate stock (attach schedule) I-10b Stmt		613,980.	915,433.	923,409.
	c Investments – corporate bonds (attach schedule)				
	11 Investments – land, buildings, and equipment: basis	►			
L I A B I L I T E S	Less accumulated depreciation (attach schedule)	►			
	12 Investments – mortgage loans				
	13 Investments – other (attach schedule) I-13 Stmt		213,655.	120,277.	121,587.
	14 Land, buildings, and equipment basis	►			
	Less accumulated depreciation (attach schedule)	►			
	15 Other assets (describe ►)				
	16 Total assets (to be completed by all filers – see the instructions Also, see page 1, item I)		1,185,783.	1,269,646.	1,278,932.
	17 Accounts payable and accrued expenses				
	18 Grants payable				
	19 Deferred revenue				
	20 Loans from officers, directors, trustees, & other disqualified persons				
	21 Mortgages and other notes payable (attach schedule)		1,231.	1,231.	
	22 Other liabilities (describe ►)				
	23 Total liabilities (add lines 17 through 22)		1,231.	1,231.	
	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.	► <input type="checkbox"/>			
N F E U T N D A S S A E L T A S N C O R E R S	24 Unrestricted				
	25 Temporarily restricted				
	26 Permanently restricted				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.	► <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds				
	28 Paid-in or capital surplus, or land, building, and equipment fund				
	29 Retained earnings, accumulated income, endowment, or other funds		1,184,552.	1,268,415.	
	30 Total net assets or fund balances (see instructions)		1,184,552.	1,268,415.	
	31 Total liabilities and net assets/fund balances (see instructions)		1,185,783.	1,269,646.	

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year – Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	1,184,552.
2 Enter amount from Part I, line 27a	2	93,779.
3 Other increases not included in line 2 (itemize) ► See Other Increases Stmt	3	1,864.
4 Add lines 1, 2, and 3	4	1,280,195.
5 Decreases not included in line 2 (itemize) ► See Other Decreases Stmt	5	11,780.
6 Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	1,268,415.

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 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
a 500 shares CVR partners		P	12/12/11	05/09/12
b 500 Shares Energy Transfer Partners		P	12/14/11	05/09/12
c 500 Shares of Centurylink		P	04/23/10	05/09/12
d 500 Shares Ford Motor Company		P	03/29/11	10/02/12
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 12,346.		11,497.	849.	
b 23,146.		21,134.	2,012.	
c 18,966.		17,388.	1,578.	
d 9,791.		13,968.	-4,177.	
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))	
a			849.	
b			2,012.	
c			1,578.	
d			-4,177.	
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	262.
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 instructions) If (loss), enter -0- in Part I, line 8] —		3	2,861.

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 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 (column (b) divided by column (c))
2011	699,129.	189,373.	3.691809
2010	199,744.	0.	0.000000
2009	60,190.	0.	0.000000
2008	6,850.	0.	0.000000
2007	309,230.		

2 Total of line 1, column (d)	2	3.691809
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	0.922952
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	0.
5 Multiply line 4 by line 3	5	0.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,158.
7 Add lines 5 and 6	7	1,158.
8 Enter qualifying distributions from Part XII, line 4	8	287,104.

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)

1 a Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter 'N/A' on line 1	1 1,158.
Date of ruling or determination letter: _____ (attach copy of letter if necessary – see instrs)	
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	2 0.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b)	3 1,158.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4 0.
3 Add lines 1 and 2	5 1,158.
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 2012 estimated tax pmts and 2011 overpayment credited to 2012	6 a
b Exempt foreign organizations – tax withheld at source	6 b
c Tax paid with application for extension of time to file (Form 8868)	6 c 0.
d Backup withholding erroneously withheld	6 d
7 Total credits and payments Add lines 6a through 6d	7 0.
8 Enter any penalty for underpayment of estimated tax Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8 23.
9 Tax due If the total of lines 5 and 8 is more than line 7, enter amount owed	9 1,181.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10 0.
11 Enter the amount of line 10 to be: Credited to 2013 estimated tax ►	Refunded ► 11

Part VII-A | Statements Regarding Activities

1 a 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?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?	1 b <input checked="" type="checkbox"/>
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?	1 c <input checked="" type="checkbox"/>
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 ► \$ _____	
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	2 <input checked="" type="checkbox"/>
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	3 <input checked="" type="checkbox"/>
4 a 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?	4 a <input checked="" type="checkbox"/> 4 b <input checked="" type="checkbox"/>
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If 'Yes,' attach the statement required by General Instruction T	5 <input checked="" type="checkbox"/>
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?	6 <input checked="" type="checkbox"/>
7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XIV	7 <input checked="" type="checkbox"/>
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) ► _____	
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 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If 'Yes,' complete Part XIV	8 b <input checked="" type="checkbox"/> 9 <input checked="" type="checkbox"/>
10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses	10 <input checked="" type="checkbox"/>

Part VII-A | Statements Regarding Activities (continued)

11		X
12		X
13		X
Website address ► <u>N/A</u>		
14	The books are in care of ► <u>Peter Jackson</u> Telephone no ► <u>(214) 750-8300</u> Located at ► <u>5630 Dyer St., Dallas, TX</u> ZIP + 4 ► <u>75206</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 ► <u>15</u>	
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If 'Yes,' enter the name of the foreign country ►	Yes No <u>16</u> 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.

1 a	During the year did the foundation (either directly or indirectly)	Yes No
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
1 b	if any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>	
1 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 2012? <input type="checkbox"/>	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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years ► <u>20 ___, 20 ___, 20 ___, 20 ___,</u>	
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement — see instructions) <input type="checkbox"/>	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► <u>20 ___, 20 ___, 20 ___, 20 ___,</u>	
3 a	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 2012 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 2012) <input type="checkbox"/>	
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? <input type="checkbox"/>	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 2012? <input type="checkbox"/>	

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 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

None

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 <u>Donation to Lago de Plata Apartments, a non-profit apartment complex dedicated to low-income housing. 150 units are available for this purpose</u>	9,000.
2 -----	

3 -----	

4 -----	

Part IX-B: Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.		Amount
1	<u>Investment in Urban Improvement - The Villages. Investment in low-income housing property - The Villages.</u>	189,202.
2	<u>Village West Apt - low income housing project.</u>	80,128.
All other program-related investments. See instructions		
3	<u>The Villages Ltd - low income housing project</u>	17,774.
Total. Add lines 1 through 3		287,104.

All other program-related investments. See instructions

3 The Villages Ltd - low income housing project

Total: Add lines 1 through 3

287,104.

BAA

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	1 a
b Average of monthly cash balances	1 b
c Fair market value of all other assets (see instructions)	1 c
d Total (add lines 1a, b, and c)	1 d
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e
2 Acquisition indebtedness applicable to line 1 assets	2
3 Subtract line 2 from line 1d	3 0.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4 0.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5 0.
6 Minimum investment return. Enter 5% of line 5	6 0.

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
2a Tax on investment income for 2012 from Part VI, line 5	2a
b Income tax for 2012 (This does not include the tax from Part VI)	2b
c Add lines 2a and 2b	2 c
3 Distributable amount before adjustments Subtract line 2c from line 1	3
4 Recoveries of amounts treated as qualifying distributions	4
5 Add lines 3 and 4	5
6 Deduction from distributable amount (see instructions)	6
7 Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7

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	1 a
b Program-related investments – total from Part IX-B	1 b 287,104.
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)	3 a
b Cash distribution test (attach the required schedule)	3 b
4 Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4 287,104.
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 instructions)	5 1,158.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6 285,946.

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 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			0.	
b Total for prior years 20 ___, 20 ___, 20 ___				
3 Excess distributions carryover, if any, to 2012:				
a From 2007 310,357.				
b From 2008 6,850.				
c From 2009 429,915.				
d From 2010 199,744.				
e From 2011 700,689.				
f Total of lines 3a through e 1,647,555.				
4 Qualifying distributions for 2012 from Part XII, line 4 ► \$ 287,104.				
a Applied to 2011, but not more than line 2a				
b Applied to undistributed income of prior years (Election required – see instructions)				
c Treated as distributions out of corpus (Election required – see instructions)				
d Applied to 2012 distributable amount				
e Remaining amount distributed out of corpus 287,104.				
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e Subtract line 5 1,934,659.				
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				
d Subtract line 6c from line 6b. Taxable amount – see instructions 0.				
e Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount – see instructions 0.				
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013 0.				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions) 310,357.				
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a 1,624,302.				
10 Analysis of line 9.				
a Excess from 2008 6,850.				
b Excess from 2009 429,915.				
c Excess from 2010 199,744.				
d Excess from 2011 700,689.				
e Excess from 2012 287,104.				

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

1 a	If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling				►	
b	Check box to indicate whether the foundation is a private operating foundation described in section				<input checked="" type="checkbox"/> 4942(j)(3) or	4942(j)(5)
2 a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b	85% of line 2a					
c	Qualifying distributions from Part XII, line 4 for each year listed					
d	Amounts included in line 2c not used directly for active conduct of exempt activities					
e	Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3	Complete 3a, b, or c for the alternative test relied upon					
a	'Assets' alternative test – enter					
(1)	Value of all assets					
(2)	Value of assets qualifying under section 4942(j)(3)(B)(i)					
b	'Endowment' alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c	'Support' alternative test – enter					
(1)	Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2)	Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(ii)					
(3)	Largest amount of support from an exempt organization					
(4)	Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year – see instructions.)**1 Information Regarding Foundation Managers:**

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

None

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

None

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc, Programs:

Check here ► if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed

Peter J. Jackson

5630 Dyer Street

Dallas

TX 75206

(214) 750-8300

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

Letter of needs with references and location.

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

Prefer mortgage loans too small for profit lenders.

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				
Lago de Plata 5630 Dyer St. Dallas TX 75206		Exempt	Donation for learning center	9,000.
Camp Grady Spruce 601 N. Akard St. Dallas TX 75201		Exempt	Camp sponsorship	500.
Allen High School 300 Rivercrest Blvd Allen TX 75002		Exempt	High school wrestling club	2,500.
Briarcliff Apartments 1315 N Twin City Hwy Nederland TX 77627		Exempt	School fundraiser	2,473.
The Allen Wild Dawg 300 Rivercrest Blvd Allen TX 75002		Exempt	High School football	1,750.
Baylor Health care (Park Cities) 3500 Gaston Ave Dallas TX 75246		Exempt	Breast Cancer Fight	2,000.
Total			► 3a	18,223.
b Approved for future payment				
Total			► 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1 Program service revenue.					
a <u>Rental Real Estate Income</u>					97,189.
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	531390		14	6,346.	
4 Dividends and interest from securities	531390		14	12,003.	
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 <u>Royalty income</u>	531390	10,679.			
b <u>Commission Income</u>	531390	0.			
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		10,679.		18,349.	97,189.
13 Total. Add line 12, columns (b), (d), and (e)					126,217.

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

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions)
1a	<u>Income from properties that are low-income housing projects.</u>

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

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
- (2) Other assets

(1) Sales of assets to a noncharitable exempt organization

(2) Purchases of assets from a noncharitable exempt organization

(3) Rental of facilities, equipment, or other assets

- (3) Rental of facilities, equipment,
- (4) Reimbursement arrangements.

(4) Reimbursement arrangements

(6) Performance of services or membership or fundraising solicitations.

(b) Performance of services or membership in fundraising solicitations

	Yes	No
1 a (1)	X	
1 a (2)	X	
1 b (1)	X	
1 b (2)	X	
1 b (3)	X	
1 b (4)	X	
1 b (5)	X	
1 b (6)	X	
1 c	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.

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

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) is based on all information of which preparer has any knowledge.

Sign Here  10/23/13 Director
Signature of officer or trustee Date Title
May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only	Print/Type preparer's name WALTER D. HATTER	Preparer's signature 	Date 11/05/13	Check <input type="checkbox"/> if self-employed	PTIN P00168769
	Firm's name ► HATTER & ASSOCIATES, LLP	Firm's EIN ► 75-2599075			
	Firm's address ► 1300 S UNIVERSITY DR STE 620 FORT WORTH	TX	76107-5766	Phone no (817) 335-9258	

BAA

Form 990-PF, Page 1, Part I, Line 11

Line 11 Stmt

Other income:	Rev/Exp Book	Net Inv Inc	Adj Net Inc
<u>K-1 Ordinary Income</u>	810.		
<u>Royalty Income</u>	10,679.		
Total	<u>11,489.</u>		

Form 990-PF, Page 1, Part I, Line 23

Line 23 Stmt

Other expenses:	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
<u>Bank Service Chrgs</u>	0.			
<u>Office Expense</u>	1,424.			
<u>Misc. Expense</u>	7,040.			
<u>Oil and Gas expenses</u>	1,126.			
Total	<u>9,590.</u>			

Form 990-PF, Page 2, Part III, Line 3

Other Increases Stmt

<u>Gain on sale of assets</u>	262.
<u>Depletion not on books</u>	1,602.
Total	<u>1,864.</u>

Form 990-PF, Page 2, Part III, Line 5

Other Decreases Stmt

<u>Book/tax difference on sale of assets</u>	9,793.
<u>Non deductible expense</u>	1,987.
Total	<u>11,780.</u>

Form 990-PF, Page 1, Part I

Line 16b - Accounting Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
<u>Hatter & Associates,</u>	<u>Tax return preparation</u>	2,600.			
Total		<u>2,600.</u>			

Form 990-PF, Page 2, Part II, Line 10b

L-10b Stmt

Line 10b - Investments - Corporate Stock:	End of Year	
	Book Value	Fair Market Value
<u>Charles Schwab investments</u>	40,985.	48,961.

Form 990-PF, Page 2, Part II, Line 10b

Continued

L-10b Stmt

Line 10b - Investments - Corporate Stock:	End of Year	
	Book Value	Fair Market Value
<u>Investment - Urban Improvement-The Villages</u>	874,448.	874,448.
Total	<u>915,433.</u>	<u>923,409.</u>

Form 990-PF, Page 2, Part II, Line 13

L-13 Stmt

Line 13 - Investments - Other:	End of Year	
	Book Value	Fair Market Value
<u>Mineral Int. - Navarro County</u>	23,685.	23,685.
<u>Village West Apt.</u>	80,128.	80,128.
<u>The Villages</u>	17,774.	17,774.
<u>Inv - Himbola Manor Apts.</u>	-1,310.	0.
Total	<u>120,277.</u>	<u>121,587.</u>

Supporting Statement of:

Form 990-PF, p11/Line 3a, Amount-3

Description	Amount
Pat Hawkins	1,200.
Smoothie King	1,300.
Total	<u>2,500.</u>

Supporting Statement of:

Form 990-PF, p11/Line 3a, Amount-4

Description	Amount
	433.
	2,040.
Total	<u>2,473.</u>