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Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

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

OMB No 1545-0052

2012

Open to Public Inspection

For calendar year 2012, or tax year beginning 01-01-2012 , and ending 12-31-2012

Name of foundation
LUSKEY FAMILY FOUNDATION
C/O PRESTON L HOFER & ASSOC LLC

A Employer identification number
31-6652919

Number and street (or P O box number if mail is not delivered to street address)
1580 LINCOLN STREET
ROOM/SUITE 1100

Room/suite

B Telephone number (see instructions)
(303) 486-0004

City or town, state, and ZIP code
DENVER, CO 80203

C If exemption application is pending, check here ☐

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

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

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

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

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 665,231

J Accounting method ☑ Cash ☐ Accrual ☐ Other (specify) _
(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 ☐

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 (attach schedule)				
	2	Check ▶ ☑ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments	15,254	15,254		
	4	Dividends and interest from securities	2,646	2,646		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	-1,198			
	b	Gross sales price for all assets on line 6a 80,814				
	7	Capital gain net income (from Part IV, line 2)				
	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) (attach schedule)				
	11	Other income (attach schedule)	7,213	2,250		
	12	**Total.** Add lines 1 through 11	23,915	20,150		
Operating and 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 schedule)	5,000	5,000		
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see instructions)				
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)	597	597		
	24	**Total operating and administrative expenses.** Add lines 13 through 23	5,597	5,597		0
	25	Contributions, gifts, grants paid	14,900			14,900
	26	**Total expenses and disbursements.** Add lines 24 and 25	20,497	5,597		14,900
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	3,418			
	b	**Net investment income** (if negative, enter -0-)		14,553		
	c	**Adjusted net income** (if negative, enter -0-)				

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
Assets	1	Cash—non-interest-bearing	358,567	168,911	168,911
	2	Savings and temporary cash investments			
	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 page 15 of the instructions)			
	7	Other notes and loans receivable (attach schedule) ▶ Less allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)	76,198	25,000	27,560
	c	Investments—corporate bonds (attach schedule)	129,218	373,490	376,000
	11	Investments—land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	142,857	142,857	92,760
	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)	706,840	710,258	665,231
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)			
	23	**Total liabilities** (add lines 17 through 22)		0	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☑ and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds	979,022		
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	-272,182	710,258	
	30	**Total net assets or fund balances** (see page 17 of the instructions)	706,840	710,258	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	706,840	710,258	

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	706,840
2	Enter amount from Part I, line 27a	2	3,418
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	710,258
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	710,258

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				
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				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a				
b				
c				
d				
e				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	
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	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☑ No
If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2011	101,744	365,380	0 278461
2010	80,088	363,754	0 220171
2009	77,745	391,049	0 198811
2008	142,761	638,066	0 223740
2007	138,150	780,300	0 177047

2	**Total** of line 1, column (d).	2	1 098230
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 219646
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5.	4	621,756
5	Multiply line 4 by line 3.	5	136,566
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	146
7	Add lines 5 and 6.	7	136,712
8	Enter qualifying distributions from Part XII, line 4.	8	14,900

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 page 18 of the instructions)**

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter ____________ **(attach copy of letter if necessary–see instructions)**				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b			1	291
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	
3	Add lines 1 and 2			3	291
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			4	
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-			5	291
6	Credits/Payments				
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	2,623		
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	2,623
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached			8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	2,332
11	Enter the amount of line 10 to be **Credited to 2013 estimated tax** ▶ 2,332	**Refunded** ▶		11	

Part VII-A **Statements Regarding Activities**

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		No
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		No
	*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?	1c		No
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		No
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		No
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		No
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	Yes	
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*	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ CO, WY			
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*	8b	Yes	
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*	9		No
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		No

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
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		No
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	

Website address ▶N/A

14 The books are in care of ▶MATTHEW BUCHSBUAM Telephone no ▶(212) 721-5752

Located at ▶11 MADISON AVENUE 7TH FLOOR NEW YORK NY ZIP +4 ▶10010

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 |

			Yes	No
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?	16		No

See instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes", enter the name of the foreign country ▶

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

	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☑ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☑ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☑ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☑ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☑ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). ☐ Yes ☑ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
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?	1c		
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? ☐ Yes ☑ No			
	If "Yes," list the years ▶ 20____ , 20____ , 20____ , 20____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions)	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ 20____ , 20____ , 20____ , 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☑ 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.)*	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
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?	4b		No

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)? (see instructions). ☐ 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)? **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? ☐ 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** No

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? **7b**

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
RANDOLPH K LUSKEY C/O 1580 LINCOLN ST SUITE 1100 DENVER, CO 802031530	TRUSTEE 10 00	0	0	0
NICOLE C LUSKEY C/O 1580 LINCOLN ST SUITE 1100 DENVER, CO 802031530	TRUSTEE 10 00	0	0	0

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

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

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

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)*

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE".

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

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

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1	
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 N/A	
2	
All other program-related investments See page 24 of the instructions	
3	
Total. Add lines 1 through 3. . . . . ▶	

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	358,186
b	Average of monthly cash balances	1b	273,038
c	Fair market value of all other assets (see instructions)	1c	0
d	**Total** (add lines 1a, b, and c)	1d	631,224
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	631,224
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	9,468
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	621,756
6	**Minimum investment return.** Enter 5% of line 5	6	31,088

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	31,088
2a	Tax on investment income for 2012 from Part VI, line 5	2a	291		
b	Income tax for 2012 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	291
3	Distributable amount before adjustments Subtract line 2c from line 1			3	30,797
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	30,797
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	30,797

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	14,900
b	Program-related investments—total from Part IX-B	1b	
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	14,900
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	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	14,900

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				30,797
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only.				
b Total for prior years 20___, 20___, 20___				
3 Excess distributions carryover, if any, to 2012				
a From 2007. 100,835				
b From 2008. 110,953				
c From 2009. 58,445				
d From 2010. 62,340				
e From 2011. 85,337				
f **Total** of lines 3a through e.	417,910			
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ $ 14,900				
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.				14,900
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2012 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	15,897			15,897
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	402,013			
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.				
d Subtract line 6c from line 6b Taxable amount —see instructions				
e Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount—see instructions				
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) . . .	84,938			
9 **Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a	317,075			
10 Analysis of line 9				
a Excess from 2008. . . . 110,953				
b Excess from 2009. . . . 58,445				
c Excess from 2010. . . . 62,340				
d Excess from 2011. . . . 85,337				
e Excess from 2012. . . .				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling. . . . . . . ▶

b Check box to indicate whether the organization is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2012	**(b)** 2011	**(c)** 2010	**(d)** 2009	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon **a** "Assets" alternative test—enter **(1)** Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter **(1)** Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization 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))

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

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

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

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

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

c Any submission deadlines

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

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*				
COLORADO ACADEMY 3800 S PIERCE ST DENVER, CO 80235	NONE	CHARITY	GENERAL SUPPORT	14,900
Total . . . . ▶ 3a				14,900
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)
1 Program service revenue	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments. . . .					
3 Interest on savings and temporary cash investments			14	15,254	
4 Dividends and interest from securities. . . .			14	2,646	
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					-1,198
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory. .					
11 Other revenue a PROCTOR ACADEMY			25	4,480	
b CREDIT SUISSE GROUP					2,250
c OTHER INCOME					483
d					
e					
12 Subtotal Add columns (b), (d), and (e). .				22,380	1,535

13 **Total.** Add line 12, columns (b), (d), and (e). 13 23,915

(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)

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?

		Yes	No
a Transfers from the reporting foundation to a noncharitable exempt organization of			
(1) Cash	1a(1)		No
(2) Other assets	1a(2)		No
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization	1b(1)		No
(2) Purchases of assets from a noncharitable exempt organization	1b(2)		No
(3) Rental of facilities, equipment, or other assets	1b(3)		No
(4) Reimbursement arrangements	1b(4)		No
(5) Loans or loan guarantees	1b(5)		No
(6) Performance of services or membership or fundraising solicitations	1b(6)		No
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		No

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

(a) Line No	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

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

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

****** | 2013-11-14 | ******

Signature of officer or trustee | Date | Title

May the IRS discuss this return with the preparer shown below (see instr)? ☐ Yes ☑ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's Signature	Date	Check if self-employed ☐	PTIN
PRESTON L HOFER CPA	PRESTON L HOFER CPA	2013-11-15		

Firm's name ▶ HARPER HOFER & ASSOCIATES LLC | Firm's EIN ▶

Firm's address ▶ 1580 LINCOLN ST STE 1100 DENVER, CO 802031530 | Phone no (303) 486-0000

TY 2012 Accounting Fees Schedule

Name: LUSKEY FAMILY FOUNDATION
C/O PRESTON L HOFER & ASSOC LLC

EIN: 31-6652919

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
INDIRECT ACCOUNTING FEES	5,000	5,000		

TY 2012 Compensation Explanation

Name: LUSKEY FAMILY FOUNDATION
C/O PRESTON L HOFER & ASSOC LLC

EIN: 31-6652919

Person Name	Explanation
RANDOLPH K LUSKEY	
NICOLE C LUSKEY	

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2012 Gain/Loss from Sale of Other Assets Schedule

Name: LUSKEY FAMILY FOUNDATION
C/O PRESTON L HOFER & ASSOC LLC

EIN: 31-6652919

Name	Date Acquired	How Acquired	Date Sold	Purchaser Name	Gross Sales Price	Basis	Basis Method	Sales Expenses	Total (net)	Accumulated Depreciation
5000 UNITS ANADARKO PETE CORP	2009-02	PURCHASE	2012-10		5,000	5,000				
4000 UNITS CITIGROUP CAP XII TR PFD	2010-03	PURCHASE	2012-07		50,000	51,198			-1,198	
25000 UNITS REYNOLDS AMERN INC	2009-02	PURCHASE	2012-12		25,814	25,814				

TY 2012 Investments Corporate Bonds Schedule

Name: LUSKEY FAMILY FOUNDATION
C/O PRESTON L HOFER & ASSOC LLC

EIN: 31-6652919

Name of Bond	End of Year Book Value	End of Year Fair Market Value
CORPORATE BONDS-SEE ATTACHED	373,490	376,000

TY 2012 Investments Corporate Stock Schedule

Name: LUSKEY FAMILY FOUNDATION
C/O PRESTON L HOFER & ASSOC LLC

EIN: 31-6652919

Name of Stock	End of Year Book Value	End of Year Fair Market Value
CORPORATE STOCKS-SEE ATTACHED	25,000	27,560

TY 2012 Investments - Other Schedule

Name: LUSKEY FAMILY FOUNDATION
C/O PRESTON L HOFER & ASSOC LLC

EIN: 31-6652919

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
EXCHANGE TRADED PRODUCTS-SEE ATT	AT COST	142,857	92,760

TY 2012 Other Expenses Schedule

Name: LUSKEY FAMILY FOUNDATION
C/O PRESTON L HOFER & ASSOC LLC

EIN: 31-6652919

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
EXPENSES				
MISCELLANEOUS	597	597		

TY 2012 Other Income Schedule

Name: LUSKEY FAMILY FOUNDATION
C/O PRESTON L HOFER & ASSOC LLC

EIN: 31-6652919

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
PROCTOR ACADEMY	4,480		
CREDIT SUISSE GROUP	2,250	2,250	
OTHER INCOME	483		

[redacted]

Summary of Gains and Losses

	Realized This Period	Realized Year-to-Date	Unrealized
Short-Term Gain/Loss	0 00	0 00	-1,368 74
Long-Term Gain/Loss	0 01	-1,197 47	-43,657 91
Net Gain/Loss	**0.01**	**-1,197.47**	**-45,026.65**

This summary excludes transactions where cost basis information is not available

Purchasing Power Summary

Cash, Money Market Funds and Bank Deposits Available	168,911 11
Total Purchasing Power	**$168,911.11**

You may be able to borrow against the value of your brokerage account assets to buy additional securities or for other purposes For more information, please call your Relationship Manager

Client Service Information

Your Relationship Manager: XX4
ATTKISS/ROSENB/COSTEL/BUCHSBM
SONIA ATTKISS/SCOTT ROSENBERG
GERARD COSTELLO/MATT BUCHSBAUM
PRIVATE BANKING USA
ELEVEN MADISON AVENUE, 7TH FL
NEW YORK NY 10010-3698

Contact Information
Telephone Number: (212) 538-3968
Fax Number: (212) 743-3098

Client Service Information
Service Hours: Monday - Friday 07 00 a m - 10 00 p m (EST)
Saturday - Sunday 08 00 a m - 06 00 p m (EST)
Client Service Telephone Number: (866) 355-4746
Web Site: WWW CREDIT-SUISSE COM/CLIENTVIEW

Investment Objective: GROWTH
Risk Exposure: MODERATE RISK

If you have any questions concerning your investment objective or wish to make a change, please contact your Relationship Manager

Default Tax Lot Disposition Method for Mutual Funds : FIRST IN FIRST OUT
Default Tax Lot Disposition Method for Stocks in a Dividend Reinvestment Plan: FIRST IN FIRST OUT
Default Tax Lot Disposition Method for All Other Securities: FIRST IN FIRST OUT

As you requested, copies of this statement have been sent to:
PRESTON L HOFER & ASSOC , LLC

Portfolio Holdings

Quantity	Opening Date	Account Number	Activity Ending	Opening Balance	Closing Balance	Accrued Income	Income This Year	30-Day Yield	Current Yield
Cash, Money Funds, and Bank Deposits 25.00% of Portfolio									
Cash Balance				0 00	207 00				

[redacted]

Portfolio Holdings *(continued)*

Quantity	Opening Date	Account Number	Activity Ending	Opening Balance	Closing Balance	Accrued Income	Income This Year	30-Day Yield	Current Yield
Cash, Money Funds, and Bank Deposits *(continued)*									
Money Market									
DREYFUS GOVT CASH MNGT INV SH									
168,704 110	12/01/12	0000060205	12/31/12	135,300 04	168,704 11	0 00	15 93	0 01%	0 01%
Total Money Market				**$135,300.04**	**$168,704.11**	**$0.00**	**$15.93**		
Total Cash, Money Funds, and Bank Deposits				**$135,300.04**	**$168,911.11**	**$0.00**	**$15.93**		

Quantity	Acquisition Date	Unit Cost	Adjusted Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Accrued Interest	Estimated Annual Income	Estimated Yield
Fixed Income 57.00% of Portfolio *(In Maturity Date Sequence)*									
Corporate Bonds									
CSX CORP NT 5.750% 03/15/13 B/E DTD 09/07/07 CALLABLE 1ST CPN DTE 03/15/08 CPN PMT SEMI ANNUAL Moody Rating BAA2 S & P Rating BBB			**Security Identifier:** 126408GL1						
25,000 000	03/04/09 *	99 8140	24,953 38 Original Cost Basis $24,204 50	101 0310	25,257 75	304 37	423 26	1,437 50	5 69%
ENBRIDGE ENERGY PARTNERS L P NT- FULLY EXCHANGED FROM CUSIP 29250RAA4 4 750% 06/01/13 B/E DTD 05/27/03 Moody Rating BAA2 S & P Rating BBB			**Security Identifier:** 29250RAC0						
25,000 000	04/13/09 *	91 6000	22,900 00 Original Cost Basis $22,900 00	101 3800	25,345 00	2,445 00	0 00	1,187 50	4 68%
CREDIT SUISSE GROUP AG N Y BRH MEDIUN TERM SR BK NTS 9 000% 03/06/14 B/E DTD 09/06/12 CALLABLE 03/06/13			**Security Identifier:** 2254M0RP3						
100,000 000	08/29/12 *	100 0000	100,000 00 Original Cost Basis $100,000 00	98 0500	98,050 00	-1,950 00	625 00	9,000 00	9 17%
JPMORGAN CHASE BK NEW YORK N Y MEDIUM TERM BK NT S R 10 250% 03/28/14 B/E DTD 09/28/12 CALLABLE 03/28/13			**Security Identifier:** 4662A05X5						

Portfolio Holdings *(continued)*

Quantity	Acquisition Date	Unit Cost	Adjusted Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Accrued Interest	Estimated Annual Income	Estimated Yield
Fixed Income *(continued)*									
Corporate Bonds *(continued)*									
JPMORGAN CHASE BK NEW YORK N Y MEDIUM *(continued)*									
100,000 000	09/21/12 *	100 0000	100,000 00	97 2600	97,260 00	-2,740 00	85 42	10,250 00	10 53%
			Original Cost Basis $100,000 00						
ENCORE ACQUISITION CO SR SUB NT 144A 6 250% 04/15/14 B/E DTD 04/02/04 CLB			**Security Identifier:** 29255WAD2 **Price Estimated as of:** 12/12/12						
25,000 000	09/17/09 *	97 1690	24,292 23	101 0000	25,250 00	957 77	329 86	1,562 50	6 18%
			Original Cost Basis $22,812 50						
MCMORAN EXPLORATION CO SR NT 11 875% 11/15/14 B/E DTD 11/14/07 CALLABLE 12/31/12 @ 104 938 Moody Rating CAA1 S & P Rating B-			**Security Identifier:** 582411AF1						
25,000 000	01/26/11 *	105 9380	26,484 50	106 6250	26,656 25	171 75	379 34	2,968 75	11 13%
			Original Cost Basis. $27,662.50						
TELEFONICA EMISIONES SAU SR NT ISIN#US87938WAG87 6 221% 07/03/17 B/E DTD 07/02/07 CALLABLE Moody Rating Baa2 S & P Rating BBB			**Security Identifier:** 87938WAG8						
25,000 000	08/09/12 *	101 1820	25,295 38	111 2500	27,812 50	2,517 12	768 98	1,555 25	5 59%
			Original Cost Basis $25,316 75						
ARCELORMITTAL SA LUXEMBOURG NT ISIN#US03938LAF13 6 125% 06/01/18 B/E DTD 05/27/08 CALLABLE Moody Rating Ba1 S & P Rating BB+			**Security Identifier:** 03938LAF1						
25,000.000	08/09/12 *	98.2030	24,550 80	101 3500	25,337 50	786.70	127.60	1,531.25	6.04%
			Original Cost Basis $24,525 00						
CHESAPEAKE ENERGY CORP SR NT 6 775% 03/15/19 B/E DTD 02/16/12 CALLABLE 01/02/13 @ 100 000 Moody Rating BA3 S & P Rating BB-			**Security Identifier:** 165167CH8						
25,000 000	03/12/12 *	100 0550	25,013 81	100 1250	25,031 25	17 44	498 72	1,693 75	6 76%
			Original Cost Basis $25,217 50						
Total Corporate Bonds **375,000.000**			**$373,490.10**		**$376,000.25**	**$2,510.15**	**$3,238.18**	**$31,186.50**	
Total Fixed Income **375,000.000**			**$373,490.10**		**$376,000.25**	**$2,510.15**	**$3,238.18**	**$31,186.50**	

[redacted]

CREDIT SUISSE

CREDIT SUISSE SECURITIES (USA) LLC
Eleven Madison Avenue
"th Floor
New York NY 10010 3629
(800) 647 2516

Brokerage Account Statement

Statement Period: 12/01/2012 - 12/31/2012

Portfolio Holdings *(continued)*

Quantity	Acquisition Date	Unit Cost	Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Estimated Annual Income	Estimated Yield
Equities 4.00% of Portfolio								
Preferred Stocks *(Listed by expiration date)*								
HSBC HLDGS PLC PERP SUB CAP SECS EXCH PREF SHS SER 2 8% ISIN#US4042808026 CALLABLE CUSIP 404280802 Dividend Option Cash			**Security Identifier:** HCS PRB					
1,000 000	06/17/10 *	25 0000	25,000 00	27 5600	27,560 00	2,560 00	2,000 00	7 25%
Total Preferred Stocks			**$25,000.00**		**$27,560.00**	**$2,560.00**	**$2,000.00**	
Total Equities			**$25,000.00**		**$27,560.00**	**$2,560.00**	**$2,000.00**	

Quantity	Acquisition Date	Unit Cost	Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Estimated Annual Income	Estimated Yield
Exchange-Traded Products 14.00% of Portfolio								
Exchange-Traded Products								
MARKET VECTORS ETF TR GLOBAL ALTERNATIVE ENERGY ETF CUSIP 57060U407 Dividend Option Cash, Capital Gains Option Cash			**Security Identifier:** GEX					
1,000 000	05/14/07 *	40 5350	40,535 00	11 0400	11,040 00	-29,495 00	207 00	1 87%
PROSHARES TR PROSHARES ULTRA S&P500 CUSIP 74347R107 Dividend Option Cash, Capital Gains Option Cash			**Security Identifier:** SSO					
400 000	10/24/07 *	91 7920	36,716 80	60 3500	24,140 00	-12,576 80	169 93	0 70%
500 000	05/21/08 *	73 6500	36,825 00	60 3500	30,175 00	-6,650 00	212 42	0 70%
900.000	**Total Noncovered**		**73,541.80**		**54,315.00**	**-19,226.80**	**382.35**	
900.000	**Total**		**$73,541.80**		**$54,315.00**	**-$19,226.80**	**$382.35**	

Portfolio Holdings *(continued)*

Quantity	Acquisition Date	Unit Cost	Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Estimated Annual Income	Estimated Yield
Exchange-Traded Products *(continued)*								
Exchange-Traded Products *(continued)*								
PROSHARES TR PROSHARES ULTRA QQQ CUSIP 74347R206 Dividend Option Cash, Capital Gains Option Cash		**Security Identifier:** QLD						
500 000	10/24/07 *	57 5600	28,780 00	54 8100	27,405 00	-1,375 00	40 79	0 14%
Total Exchange-Traded Products			**$142,856.80**		**$92,760.00**	**-$50,096.80**	**$630.14**	
Total Exchange-Traded Products			**$142,856.80**		**$92,760.00**	**-$50,096.80**	**$630.14**	

	Cost Basis	Market Value	Unrealized Gain/Loss	Accrued Interest	Estimated Annual Income
Total Portfolio Holdings	**$710,258.01**	**$665,231.36**	**-$45,026.65**	**$3,238.18**	**$33,832.57**

* Noncovered under the cost basis rules as defined below

Securities acquired before 2011 are generally not subject to the new cost basis reporting rules set forth in the Internal Revenue Code of 1986, as amended ("IRC") (incorporating amendments enacted by P L 110-343, the Emergency Economic Stabilization Act of 2008) and are, therefore, considered " noncovered," under the new cost basis reporting rules, and marked or denoted as such All other securities in this section are securities which are "covered" under the new cost basis reporting rules Securities which are "covered" under the new cost basis reporting rules are defined as securities which have been acquired on or after their "applicable date(s)" at which they are subject to the cost basis reporting rules and the adjusted basis will be reported to the IRS on form 1099-B for the applicable tax year in which the security is disposed

Reporting requirements generally will be phased in over a three-year period, as follows

- Stock in a corporation acquired on or after January 1, 2011
- Mutual funds and dividend reinvestment plan (DRP) shares acquired on or after January 1, 2012
- Other securities, principally debt securities and options, acquired on or after January 1, 2013, or later, as determined by the Secretary of the Treasury

Cost Basis on fixed income securities is adjusted for amortization, accretion or principal paydowns. The method of calculation is based upon the type of fixed income security and certain attributes, obtained from sources believed to be reliable In the event, one or more of these attributes is changed, there may be a temporary incorrect adjusted cost basis reflected until the portfolio system is amended to reflect this change These calculations will not be performed under certain circumstances, including those involving continuously callable bonds, foreign bonds, variable rates, bonds in default, index-linked bonds, bonds sold short or bonds that have a negative yield This information is meant as a general guide and you should consult your tax advisor in the preparation of your tax returns

Disclosures and Other Information

Pricing

This section includes the net market value of the securities in your account on a settlement date basis, including short positions, at the close of the statement period The market prices have been obtained from quotation services, which we believe to be reliable Securities for which a price is not available are marked "N/A" and are omitted from the Total

The estimated annual income (EAI) and estimated current yield (ECY) figures are estimates and for informational purposes only These figures are not considered to be a forecast or guarantee of future results These figures are computed using information from providers believed to be reliable, however, no assurance can be made as to the accuracy Since interest and dividend rates are subject to change at any time, and may be affected by current and future economic, political, and business conditions, they should not be relied on for making investment, trading, or tax decisions These figures assume that the position quantities, interest and dividend rates, and prices remain constant A capital gain or return of principal may be included in the figures for certain securities, thereby overstating them Refer to www pershing com/business_continuity html for specific details as to formulas used to calculate the figures Accrued interest represents interest earned but not yet received

The Estimated Price as of Date only appears when the price date does not equal the statement date and the price indicated is estimated since it is not reflective of a last trade price on a recognized exchange

Reinvestment