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 , 2012, and ending , 20

Name of foundation		A Employer identification number
The Virginia Clark Hagan Charitable Foundation, Inc.		61-1184780
Number and street (or P O box number if mail is not delivered to street address)	Room/suite	B Telephone number (see instructions)
250 West Main Street	1600	859-233-2012
City or town, state, and ZIP code		C If exemption application is pending, check here ▶ ☐
Lexington, KY 40507-1726		

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)* ▶ $ 13,407,078

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	59	59		
	4	Dividends and interest from securities	334,084	334,084		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	383,526			
	b	Gross sales price for all assets on line 6a				
	7	Capital gain net income (from Part IV, line 2)		383,526		
	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)	-8,784	-8,784		
	12	**Total.** Add lines 1 through 11	708,885	708,885	0	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc.	4,800	4,800		
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)	21,449	5,530		15,919
	b	Accounting fees (attach schedule)				
	c	Other professional fees (attach schedule)	68,269	68,269		
	17	Interest				
	18	Taxes (attach schedule) (see instructions)	21,473	2,675		
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)	1,557	149		1,408
	24	**Total operating and administrative expenses.** Add lines 13 through 23	117,548	81,423	0	17,327
	25	Contributions, gifts, grants paid	611,158			611,158
	26	**Total expenses and disbursements.** Add lines 24 and 25	728,706	81,423	0	628,485
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	-19,821			
	b	**Net investment income** (if negative, enter -0-)		627,462		
	c	**Adjusted net income** (if negative, enter -0-)			0	

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

		Line	Description	Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1	Cash—non-interest-bearing			
	2	Savings and temporary cash investments	495,936	714,182	714,182
	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)			
	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)	286,808	27,452	29,163
	b	Investments—corporate stock (attach schedule)	8,373,626	8,522,377	11,501,638
	c	Investments—corporate bonds (attach schedule)	1,237,056	1,121,504	1,162,095
	11	Investments—land, buildings, and equipment: basis ▶			
		Less: accumulated depreciation (attach schedule) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)			
	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)	10,393,426	10,385,515	13,407,078
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	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	10,393,426	10,385,515	
	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			
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	**Total net assets or fund balances** (see instructions)	10,393,426	10,385,515	
	31	**Total liabilities and net assets/fund balances** (see instructions)	10,393,426	10,385,515	

Part III Analysis of Changes in Net Assets or Fund Balances

	Description	Line	Amount
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	10,393,426
2	Enter amount from Part I, line 27a	2	-19,821
3	Other increases not included in line 2 (itemize) ▶ See attached	3	18,276
4	Add lines 1, 2, and 3	4	10,391,881
5	Decreases not included in line 2 (itemize) ▶ See attached	5	6,366
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	10,385,515

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	Deutsche Bank - publicly traded securities			
b	Deutsche Bank - capital gain distributions			
c	PNC Bank - publicly traded securities			
d	PNC Bank - capital gain distributions			
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	1,458,252		1,136,262	321,990
b	6,754			6,754
c	648,883		607,466	41,417
d	13,365			13,365
e				

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				321,990
b				6,754
c				41,417
d				13,365
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** — 383,526

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 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	584,549	12,863,387	.045443
2010	465,015	11,704,035	.039731
2009	729,155	10,192,164	.071541
2008	796,113	13,756,820	.057870
2007	761,425	16,687,381	.045629

2	**Total** of line 1, column (d) . . .	2	.260214
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	.052043
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5 . . .	4	13,168,517
5	Multiply line 4 by line 3 . . .	5	685,329
6	Enter 1% of net investment income (1% of Part I, line 27b) . . .	6	6,275
7	Add lines 5 and 6 . . .	7	691,604
8	Enter qualifying distributions from Part XII, line 4 . . .	8	628,485

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ______ **(attach copy of letter if necessary—see instructions)**		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b	1	12,549
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	12,549
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	12,549
6	Credits/Payments:		
a	2012 estimated tax payments and 2011 overpayment credited to 2012 — 6a: 11,220		
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	11,220
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	1,329
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	
11	Enter the amount of line 10 to be: **Credited to 2013 estimated tax** ▶ | **Refunded** ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		✓
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	1b		✓
	*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		✓
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		✓
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		✓
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		✓
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		✓
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	✓	
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	✓	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ Kentucky			
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	✓	
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		✓
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		✓

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		✓
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	✓	
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	✓	

Website address ▶ N/A

14 The books are in care of ▶ Herbert D. Sledd　　Telephone no. ▶ 859-233-2012

Located at ▶ 250 West Main Street, Suite 1600, Lexington, KY　　ZIP+4 ▶ 40507

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		✓
	See the 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 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		✓
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		✓

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

		Yes	No
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**		✓
	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
Herbert D. Sledd 250 West Main Street, Ste 1600, Lexington, KY 40507	Pres, Dir - 0.50 hr	1,200	0	0
Sarah Clark 5350 Todds Road, Lexington, KY 40509	VP, Dir - 0.50 hr	1,200	0	0
Charles L. Shearer 221 Culpepper Road, Lexington, KY 40502	Secty, Dir - 0.50 hr	1,200	0	0
Elizabeth Blackford 1090 Stourbridge, Versailles, KY 40383	Dir - 0.50 hr	1,200	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 N/A	
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 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	12,760,522
b	Average of monthly cash balances	1b	608,531
c	Fair market value of all other assets (see instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	13,369,053
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	13,369,053
4	Cash deemed held for charitable activities. Enter 1 ½ % of line 3 (for greater amount, see instructions)	4	200,536
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	13,168,517
6	**Minimum investment return.** Enter 5% of line 5	6	658,426

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	658,426
2a	Tax on investment income for 2012 from Part VI, line 5	2a	12,549		
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	12,549
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	645,877
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	645,877
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	645,877

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	628,485
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	628,485
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	628,485

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				645,877
2 Undistributed income, if any, as of the end of 2012:				
a Enter amount for 2011 only			609,223	
b Total for prior years: 20___,20___,20___		0		
3 Excess distributions carryover, if any, to 2012:				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f **Total** of lines 3a through e	0			
4 Qualifying distributions for 2012 from Part XII, line 4: ▶ $ 628,485				
a Applied to 2011, but not more than line 2a			609,223	
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 2012 distributable amount				19,262
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2012 *(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 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				626,615
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)	0			
9 **Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a	0			
10 Analysis of line 9:				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
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 ▶ N/A

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

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

Part XV **Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year—see 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:

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*				
Carnegie Center/Literacy & Learning Lexington, KY		Public	Literacy Programs	89,150
Central Music Academy Lexington, KY		Public	Youth Music Education	80,000
International Book Project Lexington, KY		Public	Literacy Initiative	90,260
Shriners Hospitals for Children Lexington, KY		Public	Children Health Education	21,748
Salvation Army Lexington, KY		Public	Boys & Girls Club	130,000
Transylvania University Lexington, KY		Public	Scholarship Funds	140,000
Frontier Nursing Service Hyden, KY		Public	Education	30,000
National Christian Foundation Alpharetta, GA		Public	Education and Literacy	10,000
American Red Cross Lexington, KY		Public	Disaster Education Program	20,000
Total . . . . ▶ 3a				611,158
b *Approved for future payment*				
Total . . . . ▶ 3b				0

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) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	59	
4 Dividends and interest from securities			14	334,084	
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			18	383,526	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue: a Accrued Mkt Premium Interest			14	-8,784	
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)				708,885	

13 **Total.** Add line 12, columns (b), (d), and (e) 13 708,885

(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.)
	N/A

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)		✓
	(2) Other assets	1a(2)		✓
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		✓
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		✓
	(3) Rental of facilities, equipment, or other assets	1b(3)		✓
	(4) Reimbursement arrangements	1b(4)		✓
	(5) Loans or loan guarantees	1b(5)		✓
	(6) Performance of services or membership or fundraising solicitations	1b(6)		✓
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		✓

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

Herbert D. [signature] | 4.7.13 | President

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	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Mark T. MacDonald	[signature]	4/7/13		P00968366
Firm's name ▶ Wyatt, Tarrant & Combs, LLP			Firm's EIN ▶	61-0468003
Firm's address ▶ 250 West Main Street, Ste 1600, Lexington, KY 40507			Phone no	859-233-2012

The Virginia Clark Hagan Charitable Foundation, Inc
61-1184780

Form 990-PF

	Column (a)	Column (b)	Column (c)	Column (d)
Page 1, Part I, Line 11:				
Accrued Market Discount Interest	1,044			
Accrued Market Premium Interest	-9,828			
	-8,784	0	0	0
Page 1, Part I, Line 16a:				
Wyatt, Tarrant & Combs, LLP	21,449	5,530		15,919
Page 1, Part I, Line 16c:				
PNC Bank	25,083	25,083		
Deutsche Bank	200	200		
E S Barr & Co.	42,986	42,986		
	68,269	68,269	0	0
Page 1, Part I, Line 18:				
Foreign Taxes	2,675	2,675		
Excise Taxes	18,798			
	21,473	2,675	0	0
Page 1, Part I, Line 23:				
Corporate Services	135			135
Insurance	1,273			1,273
Interest Investment Expense	149	149		
	1,557	149	0	1,408

The Virginia Clark Hagan Charitable Foundation, Inc.
61-1184780

Form 990-PF - Part II, Lines 10a, 10b and 10c, Columns (b) and (c)

Security	Shares	Book Value	Market Value
U.S. Government Obligations:			
PNC Bank			
Federal Natl Mtg Assn Pool #555327	9,990.060	$10,464 59	$10,617.14
Government Natl Mtg Assn I Pool #781484	16,410.600	$16,987 51	$18,545.45
		$27,452 10	$29,162.59
Corporate Stocks			
Deutsche Bank			
Enstar Group Limited Ord SHS	3,300	$220,976.12	$369,534.00
Affiliated Managers Group Inc Com	2,000	$54,087.00	$260,300 00
American Express Company	5,000	$230,408 60	$287,400.00
Berkshire Hathaway Inc Del CL B New	9,250	$451,400 06	$829,725 00
City Natl Corp.	7,000	$305,961 35	$346,640.00
Coca Cola Company	9,000	$184,409 50	$326,250.00
Exxon Mobil Corp. Com	4,500	$238,782 76	$389,475.00
Fairfax Finl Hldgs Ltd Sub Vtg	400	$104,627.56	$144,082 74
Gamco Invs. Inc. Com	6,000	$219,017 50	$318,420.00
Goldman Sachs Group Inc Com	2,100	$261,056.08	$267,876 00
Google Inc CL A	300	$129,696.56	$212,214.00
Johnson & Johnson Com	4,400	$240,356 00	$308,440.00
Las Vegas Sands Corp Com	2,500	$94,950 00	$115,400.00
Estee Lauder Companies Inc Cl A	3,200	$50,675 40	$191,552.00
Leucadia Natl Corp Com	16,000	$367,002.40	$380,640 00
Markel Corp Com	1,150	$363,043.97	$498,433 00
McDonald's Corp.	1,500	$77,879.85	$132,315.00
Morguard Corp Com	1,000	$63,755 00	$115,129.57
Nike Inc Class B	5,600	$109,759.88	$288,960.00
Northern TR Corp Com	4,000	$189,839.40	$200,640.00
Penn Natl Gaming Inc	7,000	$184,107 20	$343,770 00
Pepsico Inc	3,500	$188,335 90	$239,505 00
Price T Rowe Group Inc Com	1,000	$46,691.00	$65,117 10
Proctor & Gamble Co Com	1,700	$104,386.46	$115,413 00
Seacoast Bkg Corp. Fla Com	40,000	$68,210.79	$64,400.00
Southern Natl Bancorp VA Inc Com	7,000	$55,580 00	$56,945 00
Teton Advisors Inc CL A	74	$0.00	$1,221 00
Tiffany & Company	4,500	$251,296.90	$258,030 00
Wal Mart Stores Inc Com	5,000	$226,819 00	$341,150.00
Wells Fargo & Co. New Com	8,000	$238,580 70	$273,440.00
Wynn Resorts Ltd Com	2,200	$80,504.26	$247,478 00
Seacoast Bkg Corp. Fla Com	1	$21,550 00	$23,262.66
Annaly Cap Management Inc	11,000	$141,020 80	$154,440.00
Douglas Emmett Inc. Com	10,500	$157,656 55	$244,650.00
Vornado Rlty TR SBI	3,300	$222,327 45	$264,264.00
PNC Bank			
Home Depot Inc.	1,750	$47,509 50	$108,237.50
Johnson Controls Inc.	1,600	$42,370 36	$49,072 00
McDonalds Corp	800	$43,333.43	$70,568 00
Kraft Foods Group Inc.	333	$12,201.98	$15,141 51
Mondelez International	1,000	$22,755 62	$25,453.00
Pepsico Inc.	750	$34,380 00	$51,322 50
Phillip Morris Internat-W/I	750	$26,445.25	$62,730 00

The Virginia Clark Hagan Charitable Foundation, Inc.
61-1184780

Form 990-PF - Part II, Lines 10a, 10b and 10c, Columns (b) and (c)

Security	Shares	Book Value	Market Value
Proctor & Gamble Co	1,000	$44,519 00	$67,890 00
Conocophillips	800	$16,111.71	$46,392.00
Marathon Petroleum Corp	800	$36,030 00	$50,400.00
National Oilwell Varco Inc	800	$47,694.56	$54,680 00
Occidental Petroleum Corp	200	$4,422 87	$15,322.00
Suncor Energy Inc	1,100	$31,723.78	$36,278.00
Chubb Corp	400	$15,675.08	$30,128.00
JPMorgan Chase & Co	1,750	$66,289 83	$76,945.75
Metlife Inc.	1,200	$36,803 40	$39,528.00
PNC Financial Services Group Inc	588	$427,125.00	$34,286.28
Prudential Financial, Inc	750	$48,487 50	$39,997 50
Wells Fargo & Company	650	$15,066.94	$22,217.00
Allergan Inc	550	$24,039.12	$50,451.50
Bristol Myers Squibb Co	750	$22,665.00	$24,442.50
Merck & Co. Inc	1,300	$52,734.83	$53,222.00
UnitedHealth Group Inc	1,000	$25,130.00	$54,240.00
CSX Corp	2,500	$51,857.15	$49,325 00
Deere & Co	600	$26,289.00	$51,852 00
Dover Corp	900	$49,123.53	$59,139 00
3M Company	500	$41,675.00	$46,425.00
Apple Inc	180	$64,252.01	$95,790 96
Intel Corp	2,750	$48,390 00	$56,705 00
Microsoft Corp	2,000	$56,860 00	$53,418 00
Oracle Corp	2,200	$40,766.00	$73,304 00
Qualcomm Inc	1,000	$38,413.20	$61,859.00
Dupont E I de Nemours & Co	675	$31,191.75	$30,360.15
International Paper Co	900	$25,992 00	$35,856 00
AT&T Inc	1,950	$49,587 54	$65,734 50
American Water Works Co Inc.	1,100	$33,222.97	$40,843.00
Nextera Energy Inc	400	$21,751 80	$27,676.00
IShares TR MSCI Emerging MKTS Index FD	3,400	$139,307 23	$150,790 00
IShares TR Russell Midcap Index FD ETF	700	$45,010 56	$79,170.00
IShares TR Russell 2000 Index FD ETF	1,050	$56,966.75	$88,532.85
Vanguard MSCI EAFE ETF	5,000	$143,454.00	$176,150.00
Artisan Mid Cap Value Fund FD #1444	2,671 416	$60,000.00	$55,538.74
Dodge & Cox International Stock Fund	2,967 946	$75,000 00	$102,809 65
Goldman Sachs Grth Oppor Instit Class FD #1132	2,024.291	$50,000 00	$50,020 23
Harbor International Fund Class INS FD #2011	1,222.868	$80,000.00	$75,964.56
Neuberger Berman Real Estate Fund Class I	5,776 173	$80,000.00	$78,209 38
T Rowe Price Real Estate Fund FD #122	3,820.439	$80,000.00	$80,267.42
Royce Total Return Fund Inv Fund #267	4,434.326	$45,000.00	$60,439.86
		$8,522,377.25	$11,501,637.41

Corporate Bonds·

Deutsche Bank			
Leucadia Natl Corp SR NT	100,000	$100,565 79	$102,875.00
GAMCO INVS Inc Sub Deb	14,400	$10,695.56	$12,790.94
PNC Bank			
Allstate Life Global FN Trust	50,000	$49,478 00	$50,828 00
Bank of America Corp SR NTS	100,000	$101,823 00	$113,070.00
General Elec Cap Corp NTS	50,000	$51,178.50	$53,585.50

The Virginia Clark Hagan Charitable Foundation, Inc
61-1184780

Form 990-PF - Part II, Lines 10a, 10b and 10c, Columns (b) and (c)

Security	Shares	Book Value	Market Value
HSBS Finance Corp Notes	50,000	$47,912 00	$54,199.00
Baird Intermediate Bd Fd	8,936 550	$100,000 00	$101,072 38
Dodge Cox Income Fd	9,307.520	$125,000.00	$129,002.23
Eaton Vance Floating Rate Fd	11,467 890	$99,851 07	$104,587.16
Fidelity Advisor Floating High Rate Inc Fd	3,564.155	$35,000.00	$35,356.42
JPMorgan Mtg Backed Sec Fd	11,032 657	$125,000.00	$128,199.47
Pimco FDS Total Return Bd Fd	11,061.947	$125,000 00	$124,336 28
Templeton Global Bd Fd	11,408 762	$150,000 00	$152,192.89
		$1,121,503.92	$1,162,095.27

The Virginia Clark Hagan Charitable Foundation, Inc
61-1184780

Form 990-PF

Page 2, Part III, Line 3:

Nondividend Distributions	18,276

Page 2, Part III, Line 5:

Adjustment for Timing Difference in Tax and Book Income	737
Other Basis Adjustment	5,629
	6,366

Page 5, Part VII-A, Line 12:
The grant to National Christian Foundation (NCF) was to a donor advised fund over which the Foundation has advisory privileges The grant was treated as a qualifying distribution NCF is a 501(c)(3) public charity which is organized and operated independently of the Foundation Upon receipt, NCF became the owner of the granted funds in fee. NCF has ultimate control over those funds and any income derived therefrom The grant was not restricted The granted funds are held and administered by NCF in a manner consistent with one or more of its exempt purposes