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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

, and ending

Name of foundation JAMES A. "BUDDY" DAVIDSON CHARITABLE FOUNDATION		A Employer identification number 73-1627705
Number and street (or P O box number if mail is not delivered to street address) P.O. BOX 494	Room/suite	B Telephone number (see instructions) 432-682-6482
City or town, state, and ZIP code MIDLAND TX 79702		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 85,590,973	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
(Part I, column (d) must be on cash basis)		

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)
Operating and Administrative Expenses	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	1,131,867	1,113,442		
	4 Dividends and interest from securities	1,099,208	1,092,676		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	1,032,374			
	b Gross sales price for all assets on line 6a	6,844,576			
	7 Capital gain net income (from Part IV, line 2)		1,032,374		
	8 Net short-term capital gain			0	
	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) STMT 1	2,993,426	2,941,586		
	12 Total. Add lines 1 through 11	6,256,875	6,180,078	0	
	13 Compensation of officers, directors, trustees, etc	226,439	66,973		147,312
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits	32,095	14,926		13,991
	16a Legal fees (attach schedule) SEE STMT 2	1,802			1,802
	b Accounting fees (attach schedule)				
	c Other professional fees (attach schedule) STMT 3	278,053	271,053		1,000
	17 Interest				
	18 Taxes (attach schedule) (see instructions) STMT 4	107,630	29,974		11,726
	19 Depreciation (attach schedule) and depletion STMT 5	45,797			
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (att sch) STMT 6	46,019	31,219		
	24 Total operating and administrative expenses. Add lines 13 through 23	737,835	414,145	0	175,831
	25 Contributions, gifts, grants paid	3,266,054			3,266,054
	26 Total expenses and disbursements. Add lines 24 and 25	4,003,889	414,145	0	3,441,885
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	2,252,986			
	b Net investment income (if negative, enter -0-)		5,765,933		
	c Adjusted net income (if negative, enter -0-)			0	

For Paperwork Reduction Act Notice, see instructions.

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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)		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash – non-interest-bearing				
	2	Savings and temporary cash investments		5,180,803	4,611,787	4,611,787
	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 ▶	0			
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments – U S and state government obligations (attach schedule) STMT 7		8,285,615	6,666,396	7,320,290
	b	Investments – corporate stock (attach schedule) SEE STMT 8		2,946,798	2,331,523	2,744,953
	c	Investments – corporate bonds (attach schedule) SEE STMT 9		2,994,108	1,198,272	1,388,931
Liabilities	11	Investments – land, buildings, and equipment basis ▶				
		Less accumulated depreciation (attach sch) ▶				
	12	Investments – mortgage loans				
	13	Investments – other (attach schedule) SEE STATEMENT 10		50,482,138	58,394,745	63,428,222
	14	Land, buildings, and equipment basis ▶ 2,358,928				
		Less accumulated depreciation (attach sch) ▶ STMT 11 1,103,999		1,256,175	1,254,929	6,096,790
	15	Other assets (describe ▶)				
	16	Total assets (to be completed by all filers – see the instructions Also, see page 1, item I)		71,145,637	74,457,652	85,590,973
Net Assets or Fund Balances	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	
Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.	24	Unrestricted	<input type="checkbox"/>			
	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	<input checked="" type="checkbox"/>			
	28	Paid-in or capital surplus, or land, bldg, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds		71,145,637	74,457,652	
	30	Total net assets or fund balances (see instructions)		71,145,637	74,457,652	
Total	31	Total liabilities and net assets/fund balances (see instructions)		71,145,637	74,457,652	

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	71,145,637
2	Enter amount from Part I, line 27a	2	2,252,986
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 12	3	1,059,029
4	Add lines 1, 2, and 3	4	74,457,652
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	74,457,652

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a SEE WORKSHEET			
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			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(l) 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)	<div style="border-left: 1px solid black; border-right: 1px solid black; padding: 0 10px;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div>	2	1,032,374
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	<div style="border-left: 1px solid black; border-right: 1px solid black; padding: 0 10px;"> If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8 </div>	3	-264,415

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	2,716,406	74,441,731	0.036490
2010	3,000,389	70,401,210	0.042618
2009	2,256,334	59,098,000	0.038180
2008	1,165,119	43,598,768	0.026724
2007	822,081	22,694,777	0.036223

2 Total of line 1, column (d)	2	0.180235
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	0.036047
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	73,919,152
5 Multiply line 4 by line 3	5	2,664,564
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	57,659
7 Add lines 5 and 6	7	2,722,223
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.	8	3,441,885

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	57,659
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0
3	Add lines 1 and 2	3	57,659
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	57,659
6	Credits/Payments		
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	51,500
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	51,500
8	Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	419
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	6,578
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 <input type="checkbox"/> Refunded <input checked="" type="checkbox"/>	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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? If the answer is "Yes" to 1a or 1b , attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation \$ _____ (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		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	X	
b If "Yes," has it filed a tax return on Form 990-T for this year?	X	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) TX		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation 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		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X	
14	The books are in care of ► SANDRA DAVIDSON 200 N. LORAIN, STE. 555 Located at ► MIDLAND	Telephone no ► 432-682-6482 TX ZIP+4 ► 79701		
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		
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ►	16	Yes	No X

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A ► <input type="checkbox"/>	
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?	N/A	
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? If "Yes," list the years ► 20 , 20 , 20 , 20	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement – see instructions)	N/A	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20 , 20 , 20 , 20		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If "Yes," did it have excess business holdings in 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)	N/A	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	4b	X

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

5a	During the year did the foundation pay or incur any amount to			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
b	If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?	N/A		5b
	Organizations relying on a current notice regarding disaster assistance check here	<input type="checkbox"/>		
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	N/A <input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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			X
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	N/A		7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation (see 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
SEE STATEMENT 13				

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

0

Form 990-PF (2012) **JAMES A. "BUDDY" DAVIDSON****73-1627705**Page **7****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 ▶	

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	63,698,104
b	Average of monthly cash balances	1b	4,282,797
c	Fair market value of all other assets (see instructions)	1c	7,063,923
d	Total (add lines 1a, b, and c)	1d	75,044,824
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	75,044,824
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	1,125,672
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	73,919,152
6	Minimum investment return. Enter 5% of line 5	6	3,695,958

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	3,695,958
2a	Tax on investment income for 2012 from Part VI, line 5	2a	57,659
b	Income tax for 2012 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	57,659
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	3,638,299
4	Recoveries of amounts treated as qualifying distributions	4	6,385
5	Add lines 3 and 4	5	3,644,684
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	3,644,684

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	3,441,885
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	3,441,885
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	57,659
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	3,384,226

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				3,644,684
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			2,044,177	
b Total for prior years 20____, 20____, 20____				
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				
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ 3,441,885				
a Applied to 2011, but not more than line 2a			2,044,177	
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				1,397,708
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))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount – see 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				2,246,976
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)				
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a				
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				
b	Check box to indicate whether the foundation is a private operating foundation described in section <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)				
2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed				(e) Total
	Tax year	Prior 3 years			
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	
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)) N/A
b	List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest N/A
2	Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:
	Check here <input type="checkbox"/> 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 SANDRA L. DAVIDSON 432-682-6482 P.O. BOX 494 MIDLAND TX 79702
b	The form in which applications should be submitted and information and materials they should include SEE STATEMENT 14
c	Any submission deadlines NONE
d	Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors PREFER TEXAS ORGANIZATIONS

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year SEE ATTACHED DETAIL				3,266,054
Total			▶ 3a	3,266,054
b Approved for future payment N/A				
Total			▶ 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See 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	1,131,867	
4	Dividends and interest from securities			14	1,099,208	
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			15	2,941,586	
8	Gain or (loss) from sales of assets other than inventory			18	1,032,374	
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue a					
b	CATTLE SALES	110000	51,840			
c						
d						
e						
12	Subtotal. Add columns (b), (d), and (e)		51,840		6,205,035	0
13	Total. Add line 12, columns (b), (d), and (e)				13	6,256,875

(See worksheet in line 13 instructions to verify calculations)

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

[illegible]

James A. "Buddy" Davidson Charitable Foundation**Tax Year: 2012****Part XV:**

Recipient Name and Address	Purpose of grant or contribution	Amount
Angelo State University ASU Station #11023 San Angelo, TX 76909	Endowed Nursing Chair	350,000 00
Midland College Foundation 3600 N Garfield Midland, TX 79705	Nursing Scholarships	26,000.00
Scott & White Healthcare Foundation 2401 South 31st Street Temple, TX 76508	Equipment	48,013.00
Texas Tech University Health Science Center P O Box 10908 Midland, TX 79702	Endowed Nursing Chair	200,000 00
Texas Christian University TCU Box 297044 Fort Worth, TX 76129	Endowed Nursing Scholarship	75,000 00
Texas State Univeristy 601 University Drive San Marcos, TX 78666	Endowed Nursing Scholarship	50,000 00
Mary Hardin Baylor Univeristy UMHB Box 8431 900 College St. Belton, TX 76513	Equipment	31,988.00
The University of Texas of the Permian Basin 4901 East Univeristy Blvd Odessa, TX 79762	Equipment	35,475 00
Abilene Christian University 1600 Campus Court Abilene, TX 75085-1900	Scholarships	10,000 00
Greater Ideal Family Life Center 310 S. Tyler Street Midland, TX 79701	General Funds	5,000 00
The Orthodox Church P O. Box 921 Winnsboro, TX 75494	Materials and Equipment	30,000 00
Church on Wheels P.O. Box 9402 Midland, TX 79708	Food for Meal Program	26,000 00

Crestview Baptist 301 N. Loop 250 W Midland, TX 79703	Weekend Lunch Program	81,000.00
Christian Women's / Christian Men's Job Corps of Lamesa 1013 North 2nd Street Lamesa, TX 79331	Computers	20,500.00
Helping Hands of Midland 1301 Brinson Lane Midland, TX 79703	General Funds	10,000 00
Howard Payne University 1000 Fisk Street Brownwood, TX 76801	Faculty Fellowship Program	209,385.60
The Life Center 2101 W. Wall Midland, TX 79701	Program Funds	10,000.00
The Navigators P.O Box 6000 Colorado Springs, CO 80934	Scholarships	18,000 00
Harry Ransom Center P.O. Box 7219 Austin, TX 78713-7219	General Funds	10,000.00
Rock the Desert Ministries 10 Desta Drive, Ste LL170 Midland, TX 79705	General Program Funds	50,000 00
The Salvation Army P O. Box 594 Midland , TX 79702	Music Project	10,000.00
Midland Independent School District 615 W. Missouri Ave #222 Midland, TX 79701	Celebration of Lights Program	5,000.00
Centers for Children and Families Inc. 1004 N Big Spring Suite 325 Midland, TX 79701	Special Needs Camp	23,280.40
Community & Senior Services of Midland 3301 Sinclair Avenue Midland, TX 79707	Meals On Wheels Program	20,000.00
The Crisis Center P O. Box 7741 Odessa, TX 79760	Angel House Program	50,000 00
Gracewood Children at Heart Foundation 1301 N Mays Round Rock, TX 78664	Furniture	90,000 00

Midland Citizens Fire Academy Alumni 1500 W Wall Street Midland, TX 79701	Fire Safety Trailer	13,790 00
Midland Teen Court Inc 615 W Missouri Ave #226 Midland, TX 79701	Program and Supplies	36,720 00
Midland Independent School District 615 W Missouri Ave #223 Midland, TX 79701	Peer Pressure Program	37,800 00
Mission Health Care Inc 4500 W Illinois Suite 112 Midland, TX 79703	New Bus	25,000 00
SHARE P.O. Box 10991 Midland, TX 79702	Respite Care Program	25,000.00
Midland Children's Rehabilitation Center 802 Ventura Midland, TX 79705	Children's Camp	50,000 00
Camp Fire USA First Texas Council 2700 Meacham Boulevard Fort Worth, TX 76137	Children's Camp	10,000 00
Child Study Center 1300 West Lancaster Fort Worth, TX 76102	General Funds	50,000 00
Hendrick Medical Center 1900 Pine Street Abilene, TX 79601	Equipment	25,500 00
High Sky Children's Ranch 8701 W County Road 60 Midland, TX 79707	Program Funds	20,692 00
Rays of Hope Hospice of Midland 900 W. Wall Midland, TX 79701	Children's Camp	10,000.00
Methodist Children's Home 1111 Herring Avenueue Waco, TX 76708	Endowed Scholarship	250,000 00
Midland College Foundation Kid's College 3600 N. Garfield Midland, TX 79705	Kid's College Scholarships	15,000.00
Muscular Dystrophy Assoc 600 N Marienfeld, Ste 112 Midland, TX 79701	Children's Camp	15,000 00

New Horizons Ranch and Center 500 Chestnut Suite 1101 Abilene, TX 79602	Vans	30,000.00
Roaring Springs Camp & Retreat Center P.O. Box 41 Roaring Springs, TX 79256	Furniture	15,000 00
Texas Tech University College of Agri Sciences & Natural Resources P.O. Box 42123 Lubbock, TX 79409	Scholarships	36,000 00
Texas Tech University Head Start 515 North Zenith Ave Lubbock, TX 79403	Endowment	60,000.00
Tom Green County 4-H 1617 Wilson San Angelo, TX 76901	Equipment and Supplies	14,284 00
Univeristy Medical Center Foundation of El Paso 1400 Hardaway Suite 220 El Paso, TX 79903	Equipment and Supplies	200,000 00
Unlock Ministries P O Box 5562 Midland, TX 79704	Children's Camp	15,000 00
Angelo State Univeristy ASU Station #11023 San Angelo, TX 76909	Endowed Chair	334,000 00
Animal Rescue of Texas 4447 North Central Expressway Suite 110 PMB 116 Dallas, TX 75205	Animal Care	10,000 00
Borderlands Research Institute For Natural Resource Management P. O. Box C-16 Sul Ross State Univeristy Alpine, TX 79832	Materials and Supplies	30,000 00
Friends of Big Bend National Park P.O. Box 200 Big Bend National Park, TX 79834	Fossil Discovery Trail	15,000.00
Grand Companions Humane Society P O Box 1156 Fort Davis, TX 79734	Equipmnet & Supplies	15,000.00
Guide Dogs of Texas Inc. 1503 Allena Drive San Antonio, TX 78213	General Funds	15,000 00

Houston SPCA 900 Portway Drive Houston, TX 77024	Equipment	4,765 00
I-20 Wildlife Preserve & Jenna Welch Nature Study Center Inc P.O. Box 2906 Midland, TX 79702	Materials & Supplies	10,000 00
International Exotic Animal Sanctuary Inc P.O. Box 637 Boyd, TX 76023	Animal Food	5,000 00
Midland SPCA P.O. Box 4371 Midland, TX 79704	Animal Care & Food	5,000 00
The Nature Conservancy Texas Chapter 200 East Grayson Ste 202 San Antonio, TX 78215	Truck	48,000 00
North Ridge Zoo Crew Inc 1005 Grover Ave Lubbock, TX 79416-5039	Animal Food and Maintenance	5,991.00
Pewee's Pet Adoption World and Sanctuary Inc 1307 Saratoga Corpus Christi, TX 78417	Spay & Neutering Program	5,000 00
Ravens Friends P O Box 8909 Midland, TX 79708	Animal Case and Supplies	5,000 00
River Legacy Foundation 703 NW Green Oaks Blvd Arlington, TX 76006	Bird Cam	14,000 00
Sea Turtle Inc P.O. Box 3987 South Padre Island, TX 78597	General Funds	10,000 00
South Plains Wildlife Rehabilitation Center Inc 3308 95th Street Lubbock, TX 79423	Feeding and Caring of Wildlife	10,000 00
Special Pals 3830 Greenhouse Road Houston, TX 77084	Animal Medical Care	5,000 00
Spay-Neuter Assistance Program P O. Box 70286 Houston, TX 77270	Spay & Neiter Program	5,000 00
Texas Hearing and Service Dogs 4803 Rutherglen Austin, TX 78749	Dog Sponsorship	20,000.00

Texas Tech University College of Agri Sciences & Natural Resources P O. Box 42123 Lubbock, TX 79409	Graduate Student Program	29,000 00
Texas Christian University TCU Box 297044 Fort Worth, TX 76129	Endowed Scholarship	33,000 00
Tiger Missing Link Foundation dab Tiger Creek Wildlife 17455 FM 14 Tyler, TX 75706	Animal Care & Feeding	5,000 00
Texas Marine Mammal Stranding Network 4700 Avenue U Galveston, TX 77551	Equipment	10,720 00
Valley Proud Environmental Council 513 E Jackson St Ste 304 Harlingen, TX 78550	Materials & Supplies	10,000.00
Westcave Preserve 24814 Hamilton Pool Road Round Mountain, TX 78663	General Funds	50,000 00
West Texas A&M Foundation WTAMU Box 60766 Canyon, TX 79016	Endowed Professorship	100,000 00
The Wildlife Center of Texas 7007 Katy Road Houston, TX 77024	Animal Food & Diagnostics	7,000 00
Manor Park 22008 N Loop 250 West Midland, TX 79707	General Funds	50 00
Matador Volunteer Fire Dept Box 222 Matador, TX 79144	General Funds	100 00

3,266,054 00

Capital Gains and Losses for Tax on Investment IncomeForm **990-PF****2012**

For calendar year 2012, or tax year beginning

, and ending

Name

**JAMES A. "BUDDY" DAVIDSON
CHARITABLE FOUNDATION**

Employer Identification Number

73-1627705

(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.)
(1) 170,000 US TREASURY NOTE 4.75%	P	09/19/10	01/31/12
(2) 190,000 US TREASURY NOTE 4.50%	P	09/19/10	04/30/12
(3) MARILYN YATES CRUT	P	VARIOUS	VARIOUS
(4) POWERSHARES DB BASE METALS FUND	P	VARIOUS	VARIOUS
(5) POWERSHARES DB BASE METALS FUND	P	VARIOUS	VARIOUS
(6) WESTWOOD HOLDINGS PASS THRU	P	VARIOUS	VARIOUS
(7) WESTWOOD HOLDINGS PASS THRU	P	VARIOUS	VARIOUS
(8) J.P. MORGAN GAIN/LOSS ACTIVITY	P	VARIOUS	VARIOUS
(9) WESTWOOD HOLDINGS SHORT-TERM GAINS	P	VARIOUS	VARIOUS
(10) CHARLES SCHWAB #MD 8181-3692			
(11)			
(12)			
(13)			
(14)			
(15)			

(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)
(1) 170,000		175,047	-5,047
(2) 190,000		201,062	-11,062
(3) 15,836			15,836
(4) 1,065			1,065
(5)		38,502	-38,502
(6)		369,373	-369,373
(7) 1,229,116			1,229,116
(8) 2,902,732		2,838,000	64,732
(9) 2,294,111		2,190,218	103,893
(10) 41,716			41,716
(11)			
(12)			
(13)			
(14)			
(15)			

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))
(1)			-5,047
(2)			-11,062
(3)			15,836
(4)			1,065
(5)			-38,502
(6)			-369,373
(7)			1,229,116
(8)			64,732
(9)			103,893
(10)			41,716
(11)			
(12)			
(13)			
(14)			
(15)			



DAVIDSON CHRT FDN NP PCIAA
Account Number: V 37128-00-2

* Code W indicates Wash Sale
L indicates a Nondeductible Loss other than a Wash Sale
-- Ordinary Income O indicates Ordinary Income gain or loss
F indicates Foreign Exchange gain or loss on Capital transactions

Capital Gain and Loss Schedule

Long-Term Non Covered

Description	Stock and other symbol Cusip	Code*	Date Acquired Date Sold	Units	Sales Price	Cost or Other Basis	Adjustments to gain or loss	Gain or Loss Ordinary Income**
BARC BREN SPX 4/4/12	06738KEQ0		03/18/11	450,000.000	501,435.00	450,000.00		51,435.00
10%BUFFER-1.5XLEV-7.62%CAP- 11.43%MAXRTRN			04/04/12					
INITIAL LEVEL-3/18/11 SPX: 1279.20								
BARC BREN BEARISH JPY 3/19/12	06740JZT0		03/12/10	106,000.000	100,430.76	106,000.00		.00
STRIKE 90.73			03/19/12					-5,569.24 F
PARTICIPATION 157.5% MAX RETURN 23.625% DD 03/12/10								
BARC REN SPX 01/25/12	06741JAA7		01/08/11	450,000.000	471,397.65	450,000.00		21,397.65
2XLEV-9.65%CAP-19.3%MAXPYMT INITIAL LEVEL-01/08/11 SPX: 1273.85			01/25/12					
CS BREN EAFE 05/02/12	22546E5E0		04/21/11	450,000.000	402,556.50	450,000.00		-47,443.50
10%BUFFER-2 XLEV- 8.1%CAP 16.2%MAXRTRN			05/02/12					
INITIAL LEVEL-04/21/11:5X5E:2,936.30 UKX6.018:2 TPX:842.18								
DB BREN CURRENCY BSKT 3/19/12	2515A03J0		03/12/10	107,000.000	129,470.00	107,000.00		.00
LONG KRW, IDR, SGD VS. EUR BUFFER 5%, MAX LOSS 100% CPN 21%, MAX RET 100% DD 03/12/10			03/19/12					22,470.00 F

J.P.Morgan



DAVIDSON CHRT FDN NP PCIAA
Account Number: V37128-00-2

ode W indicates Wash Sale
L indicates a Nondeductible Loss other than a Wash Sale
Ordinary Income O indicates Ordinary Income gain or loss
F indicates Foreign Exchange gain or loss on Capital transactions

Capital Gain and Loss Schedule

Long-Term Non Covered

Disposition	Stock and other symbol Cusip	Code*	Date Acquired Date Sold	Units	Sales Price	Cost or Other Basis	Adjustments to gain or loss	Gain or Loss Ordinary Income**
3 BREN EM ASIA FX BSKT 11/16/12	2515A16N8		05/13/11	350,000.000	350,000.00	350,000.00		.00
IKD TO IDR MYR & SGD VS USD			11/16/12					
13/11								
XC INSURANCE HOLDINGS INC	HCC		00/00/00		19.52	.00		19.52
:PRESENTS PRO RATA SHARE OF THE	404132102		12/11/12					
IT SETTLEMENT FROM THE HCC								
SURANCE HOLDINGS INC CLASS								
XTION. DUE V37128002 DAVIDSON CHRT								
M BREN EAFE 2/23/12	48125XDB9		02/04/11	450,000.000	424,502.50	450,000.00		-25,497.50
.62%MAXRTRN			02/23/12					
TIAL LEVEL-2/4/11:5X5E.3003.19								
XX.5997.38 TPX.935.36								
M GSCI BRENT CRUDE CPN NOTE 6/7/12	48125XSQ0		05/27/11	475,000.000	522,500.00	475,000.00		47,500.00
IKD TO SPGCBRP INDEX			06/07/12					
%CPN, 70%BUFFER, 16.4% MAX RET								
27/11								

J.P.Morgan

Page 8 of 9



* Code W indicates Wash Sale

L indicates a Nondeductible Loss other than a Wash Sale

Ordinary Income O Indicates Ordinary Income gain or loss

F indicates Foreign Exchange gain or loss on Capital transactions

DAVIDSON CHRT FDN NP PCIAA
Account Number: V 37128-00-2

Capital Gain and Loss Schedule

Long-Term Non Covered

Description	Stock and other symbol Cusip	Code*	Date Acquired Date Sold	Units	Sales Price	Cost or Other Basis	Adjustments to gain or loss	Gain or Loss Ordinary Income**
KLA-TENCOR CORP	KLAC		00/00/00		420.14	.00		420.14
REPRESENTS PRO RATA SHARE OF THE	482480100		12/11/12					
NET SETTLEMENT FROM THE KLA-TENCOR								
CORP CLASS ACTION. DUE V37128002								
DAVIDSON CHRT FDN NP PCIAA FUTURE								
Total Long-Term Non Covered					2,902,732.07	2,838,000.00		47,831.31

16,900.76 F

J.P. Morgan

The James A. "Buddy" Davidson Charitable Foundation

Account #: 1749 Tax Worksheet: From 1/1/2012 to 12/31/2012

Trust Category: Revocable Trust
 Dates Open: 9/9/2011 to Present
 Trust Year End: December
 Date Printed: 01/28/2013

Admin Officer: Melissa McMillian, Team 1
 Invest Officer: Randall Root
 Tax State: Texas
 Tax ID: 73-1627705

Capital Gains and Losses

Individual Transactions

Short-Term

Cusip	Shares/Par	Acquired	Date Sold	Days Held	Income	Principal	Cost Basis	Wash Sale Cost Adjustment	Gain/Loss	Description of Transaction
335005997	12,878	422900	09/12/2011	287	0.00	904,173.47	-828,531.90	0.00	75,641.57	Sold 12,878 4229 shares @ \$70.2084 of AllCap Growth Equity - PT
335005997	2,473.43	3000	09/15/2011	284	0.00	173,655.77	-165,525.45	0.00	8,130.32	Sold 2,473.433 shares @ \$70.2084 of AllCap Growth Equity - PT
447005992	5,605	792300	09/16/2011	283	0.00	371,703.27	-371,129.80	0.00	573.47	Sold 5,605.7923 shares @ \$66.3070 of Emerging Markets - PT
447005992	9,038	475100	09/16/2011	283	0.00	599,314.17	-598,389.52	0.00	924.65	Sold 9,038.4751 shares @ \$66.3070 of Emerging Markets - PT
447005992	2,281	113000	09/23/2011	276	0.00	151,253.76	-137,165.83	0.00	14,087.93	Sold 2,281 113 shares @ \$66.3070 of Emerging Markets - PT
824003990	41	063500	09/12/2011	287	0.00	3,659.23	-3,628.57	0.00	30.66	Sold 41.0635 shares @ \$89.1115 of HighYield Bond - PT
448002998	410	609800	09/12/2011	287	0.00	54,759.01	-52,342.00	0.00	2,417.01	Sold 410 6098 shares @ \$133.3602 of Income Opportunity - PT
005991229	1	174300	09/12/2011	287	0.00	140.73	-141.61	0.00	-0.88	Sold 1.1743 shares @ \$119.8432 of Intermediate Bond - PT
938001997	132	732900	09/12/2011	287	0.00	31,346.17	-29,315.77	0.00	2,030.40	Sold 132 7329 shares @ \$236.1598 of Real Estate Investment Trust - PT
812002996	40	416400	09/28/2011	271	0.00	4,105.12	-4,047.97	0.00	57.15	Sold 40.4164 shares @ \$101.5707 of Short Duration High Yield Bond - PT
Short-Term Total					0.00	2,294,110.70	-2,190,218.42	0.00	103,892.28	

Long-Term

Cusip	Shares/Par	Acquired	Date Sold	Days Held	Income	Principal	Cost Basis	Wash Sale Cost Adjustment	Gain/Loss	Description of Transaction
912828GF1	170,000	000000	09/19/2010	499	0.00	170,000.00	-175,046.87	0.00	-5,046.87	Matured
912828GQ7	190,000	000000	09/19/2010	589	0.00	190,000.00	-201,051.72	0.00	-11,051.72	Matured
Long-Term Total					0.00	360,000.00	-376,108.59	0.00	-16,108.59	
Individual Transactions Total					0.00	2,654,110.70	-2,566,327.01	0.00	87,783.69	

Capital Gain Allocations

Statement 1 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
SCHWAB SETTLEMENT--FOUNDATION	\$ 1,067	\$ 1,067	\$
SCHWAB SETTLEMENT--BEHR CRUT	950	950	
NRI--QUANAH LLC	2,939,569	2,939,569	
CATTLE SALES	51,840		
TOTAL	\$ 2,993,426	\$ 2,941,586	\$ 0

Statement 2 - Form 990-PF, Part I, Line 16a - Legal Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
LEGAL FEES	\$ 1,802	\$	\$	\$ 1,802
TOTAL	\$ 1,802	\$ 0	\$ 0	\$ 1,802

Statement 3 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
WESTWOOD TRUST FEES	\$ 264,120	\$ 264,120	\$	\$
J.P. MORGAN BROKERAGE FEES	6,933	6,933		
ADVISOR MEETING FEE	1,000			1,000
APPRAISAL FEES	6,000			
TOTAL	\$ 278,053	\$ 271,053	\$ 0	\$ 1,000

Federal Statements

Statement 4 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FEDERAL TAXES	\$ 6,427		\$	
AD VALOREM	6,965			
PAYROLL TAXES	18,483	5,719		11,726
FOREIGN TAX CHARLES SCHWAB INSTI	3,806	3,806		
FOREIGN TAX REFUND--JPM	-54			
FOREIGN TAX WESTWOOD HOLDINGS	20,503	20,503		
FEDERAL ESTIMATED TAXES PAID	51,500			
TOTAL	\$ 107,630	\$ 29,974	\$ 0	\$ 11,726

Statement 5 - Form 990-PF, Part I, Line 19 - Depreciation

Date Acquired	Description	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
8/07/04	BUCKLE D FENCES & IMPROVEMENTS	\$ 638,828	\$ 638,828	150DB	7	\$	\$	\$
8/07/04	BUCKLE D WATER WELLS, LINES, ETC.	743,489	416,082	150DB	15	43,654		
1/12/05	BUCKLE D RANCH HOUSES	12,060	3,292	S/L	27.5	438		
8/07/04	BUCKLE D LAND	920,000			0			
7/01/12	NEW WATER WELL	17,354		150DB	10	976		
12/06/12	FENCING	27,197		150DB	7	729		
TOTAL		\$ 2,358,928	\$ 1,058,202			\$ 45,797	\$ 0	\$ 0

Federal Statements

Statement 6 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXPENSES				
DUES & SUBSCRIPTIONS	2,438			
OFFICE EXPENSE	6,489			
UTILITIES	4,422			
MISCELLANEOUS	758			
RANCH INSURANCE	396			
INVESTMENT EXPENSE PASS THRU-	1,455	1,455		
FOREIGN CURRENCY LOSS	29,764	29,764		
MEALS & ENTERTAINMENT	297			
TOTAL	\$ 46,019	\$ 31,219	\$ 0	\$ 0

Federal Statements

Statement 7 - Form 990-PF, Part II, Line 10a - US and State Government Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
US AND STATE INVESTMENT	\$ 8,285,615	\$ 6,666,396	COST	\$ 7,320,290
TOTAL	\$ 8,285,615	\$ 6,666,396		\$ 7,320,290

Statement 8 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
CORP STOCK INVESTMENT	\$ 2,946,798	\$ 2,331,523	COST	\$ 2,744,953
TOTAL	\$ 2,946,798	\$ 2,331,523		\$ 2,744,953

Statement 9 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
CORP BOND INVESTMENT	\$ 2,994,108	\$ 1,198,272	COST	\$ 1,388,931
TOTAL	\$ 2,994,108	\$ 1,198,272		\$ 1,388,931

Statement 10 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
MUTUAL FUNDS	\$ 50,482,138	\$ 58,394,745	COST	\$ 63,428,222
TOTAL	\$ 50,482,138	\$ 58,394,745		\$ 63,428,222

Federal Statements

Statement 11 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
BUCKLE D PERSONAL PROPERTY	\$ 336,175	\$ 1,438,928	\$ 1,103,999	\$ 3,673,223
BUCKLE D LAND	920,000	920,000		2,423,567
TOTAL	<u>\$ 1,256,175</u>	<u>\$ 2,358,928</u>	<u>\$ 1,103,999</u>	<u>\$ 6,096,790</u>

Statement 12 - Form 990-PF, Part III, Line 3 - Other Increases

<u>Description</u>	<u>Amount</u>
PERCENTAGE DEPLETION NOT ON BOOKS	\$ 518,747
NET CHANGE IN PORTFOLIO BALANCES DUE TO PURCHASES	540,282
TOTAL	<u>\$ 1,059,029</u>

Federal Statements

**Statement 13 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees,
Etc.**

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
SANDRA DAVIDSON 2825 W. SHANDON MIDLAND TX 79705	PRESIDENT	30.00	62,220	0	0
DENISE NEWTON 200 N. LORAIN, STE. 555 MIDLAND TX 79701	VICE PRESIDE	10.00	0	0	0
ELAINE GREENHAW 1710 EMERALD AVE. ODESSA TX 79761	SECRETARY	40.00	82,529	0	0
JERRY ZANT P.O. BOX 2776 MIDLAND TX 79702	DIRECTOR	0.00	1,500	0	0
DOUG TULL P.O. BOX 11107 MIDLAND TX 79702	DIRECTOR	0.00	1,000	0	0
GAIL MCCALL 3504 BEDFORD MIDLAND TX 79703	VICE PRESIDE	20.00	76,190	0	0
KAREN MELTON 400 E. COLLEGE BLVD. ROSWELL NM 88201	TREASURER	0.00	1,500	0	0
DOYLE SNOW	DIRECTOR	0.00	1,500	0	0

Statement 14 - Form 990-PF, Part XV, Line 2b - Application Format and Required ContentsDescription

COMPLETE INTERNAL GRANT APPLICATION WITH DESCRIPTION OF
THEIR ORGANIZATION DETAILING WHAT THEY DO AND WHO THEY
SUPPORT.

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

NONE

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

PREFER TEXAS ORGANIZATIONS