



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Form **990-PF**

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

OMB No 1545-0052

2012Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

For calendar year 2012 or tax year beginning

, and ending

Name of foundation Dunagan Foundation, Inc.		A Employer identification number 75-1561848
Number and street (or P.O. box number if mail is not delivered to street address) P. O. Box 387	Room/suite	B Telephone number (see instructions) 432-943-2571
City or town, state, and ZIP code Monahans TX 79756		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) \$ 8,150,747	J Accounting method <input type="checkbox"/> Cash <input checked="" 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 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 <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	5,004	5,004	5,004	
	4 Dividends and interest from securities	140,765	140,765	140,765	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10 Stmt 1	179,564			
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)		176,907		
	8 Net short-term capital gain			163,447	
	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 2	190,944	3,205	190,944		
12 Total. Add lines 1 through 11	516,277	325,881	500,160		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	2,400			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) Stmt 3	9,893	7,420		2,473
	c Other professional fees (attach schedule) Stmt 4	22,332	21,256		1,076
	17 Interest				
	18 Taxes (attach schedule) (see instructions) Stmt 5	920	920		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (att sch) Stmt 6	37,419	19,419		18,000
	24 Total operating and administrative expenses. Add lines 13 through 23	72,964	49,015	0	21,549
	25 Contributions, gifts, grants paid	256,650			256,650
26 Total expenses and disbursements. Add lines 24 and 25	329,614	49,015	0	278,199	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	186,663				
b Net investment income (if negative, enter -0-)		276,866			
c Adjusted net income (if negative, enter -0-)			500,160		

For Paperwork Reduction Act Notice, see instructions.

Form **990-PF** (2012)

Part II Balance Sheets		Beginning of year	End of year	
			(a) Book Value	(b) Book Value
Assets	1 Cash – non-interest-bearing	-73,871	153,583	153,583
	2 Savings and temporary cash investments	130,969	940,436	940,436
	3 Accounts receivable ▶ Less allowance for doubtful accounts ▶	2,426		
	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) ▶ See Wrk 650,000 Less allowance for doubtful accounts ▶ 0	72,650	650,000	651,232
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments – U S and state government obligations (attach schedule)			
	b Investments – corporate stock (attach schedule) See Stmt 7	3,676,895	2,143,694	2,353,312
	c Investments – corporate bonds (attach schedule)			
	11 Investments – land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶			
	12 Investments – mortgage loans			
	13 Investments – other (attach schedule) See Statement 8	1,395,557	1,457,857	4,028,904
	14 Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶			
Liabilities	15 Other assets (describe ▶ See Statement 9)		23,280	23,280
	16 Total assets (to be completed by all filers – see the instructions Also, see page 1, item I)	5,204,626	5,368,850	8,150,747
	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
Net Assets or Fund Balances	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. ▶ <input type="checkbox"/>			
Net Assets or Fund Balances	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31 ▶ <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds	480,823	480,823	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	4,723,803	4,888,027	
Net Assets or Fund Balances	30 Total net assets or fund balances (see instructions)	5,204,626	5,368,850	
	31 Total liabilities and net assets/fund balances (see instructions)	5,204,626	5,368,850	

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	5,204,626
2 Enter amount from Part I, line 27a	2	186,663
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	5,391,289
5 Decreases not included in line 2 (itemize) ▶ See Statement 10	5	22,439
6 Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	5,368,850

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			(l) Gains (Col. (h) gain minus col. (k), but not less than -0- or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss)	<div> <div>If gain, also enter in Part I, line 7</div> <div>If (loss), enter -0- in Part I, line 7</div> </div>	2	176,907
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	<div> <div>If gain, also enter in Part I, line 8, column (c) (see instructions)</div> <div>If (loss), enter -0- in Part I, line 8</div> </div>	3	163,447

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	170,160	6,324,640	0.026904
2010	192,890	5,339,924	0.036122
2009	238,019	5,570,936	0.042725
2008	204,794	6,277,120	0.032625
2007	251,784	4,404,765	0.057162

2 Total of line 1, column (d)	2	0.195538
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	0.039108
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	8,362,801
5 Multiply line 4 by line 3	5	327,052
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	2,769
7 Add lines 5 and 6	7	329,821
8 Enter qualifying distributions from Part XII, line 4	8	278,199
If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.		

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	5,537
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	5,537
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	5,537
6	Credits/Payments		
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	20,960
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	20,960
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	15,423
11	Enter the amount of line 10 to be Credited to 2013 estimated tax 5,600 Refunded	11	9,823

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

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 ► Joe Kelley 921 East 4th Street Located at ► Monahans	Telephone no ► 432-943-6374 TX ZIP+4 ► 79756-1040		
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		<input type="checkbox"/>
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"/>	1b	
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	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? 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) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2012 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 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)? Organizations relying on a current notice regarding disaster assistance check here	N/A		5b
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? If "Yes," attach the statement required by Regulations section 53.4945–5(d)	N/A <input type="checkbox"/> Yes <input type="checkbox"/> No		
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? If "Yes" to 6b, file Form 8870			6b
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 11				

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) **Dunagan Foundation, Inc.****75-1561848**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 ▶Form **990-PF** (2012)

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	3,160,138
b	Average of monthly cash balances	1b	1,298,774
c	Fair market value of all other assets (see instructions)	1c	4,031,241
d	Total (add lines 1a, b, and c)	1d	8,490,153
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	8,490,153
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	127,352
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	8,362,801
6	Minimum investment return. Enter 5% of line 5	6	418,140

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	418,140
2a	Tax on investment income for 2012 from Part VI, line 5	2a	5,537
b	Income tax for 2012 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	5,537
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	412,603
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	412,603
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	412,603

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	278,199
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	278,199
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	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	278,199

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				412,603
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			293,068	
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 ▶ \$ 278,199				
a Applied to 2011, but not more than line 2a			278,199	
b Applied to undistributed income of prior years (Election required – see instructions)				
c Treated as distributions out of corpus (Election required – see instructions)				
d Applied to 2012 distributable amount				
e Remaining amount distributed out of corpus				
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			14,869	
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013				412,603
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 ☐ 4942(j)(3) or ☐ 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

Tax year	Prior 3 years			(e) Total
(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 ☐ 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
N/A

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

c Any submission deadlines
N/A

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

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 Statement 12				256,650
Total			▶ 3a	256,650
b Approved for future payment N/A				
Total			▶ 3b	

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

- 1** Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?
- a** Transfers from the reporting foundation to a noncharitable exempt organization of
- (1) Cash
 - (2) Other assets
- b** Other transactions
- (1) Sales of assets to a noncharitable exempt organization
 - (2) Purchases of assets from a noncharitable exempt organization
 - (3) Rental of facilities, equipment, or other assets
 - (4) Reimbursement arrangements
 - (5) Loans or loan guarantees
 - (6) Performance of services or membership or fundraising solicitations
- c** Sharing of facilities, equipment, mailing lists, other assets, or paid employees
- 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.

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

[illegible]

- 2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

☐ Yes ☒ No

- b** If "Yes," complete the following schedule

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

**Sign
Here**

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

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

Signature of officer or trustee

Date _____

President

Title

Paid
Preparer
Use Only

Print/Type preparer's name

Preparer's signature

Date _____

Check ☒ if
self-employed

Joe Kelley CPA

Joe Kelley CPA

08/14/13

Firm's name ▶ Joe Kelley, CPA

PTIN P00083062

Firm's address ► **PO Box 1040**

Firm's EIN ▶

Monahans, TX 79756-1040

Phone no **432-943-6374**

Form 990-PF		Capital Gains and Losses for Tax on Investment Income		2012
Name Dunagan Foundation, Inc.			Employer Identification Number 75-1561848	
For calendar year 2012, or tax year beginning _____, and ending _____				
<p>(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</p>	<p>(b) How acquired P-Purchase D-Donation</p>	<p>(c) Date acquired (mo., day, yr.)</p>	<p>(d) Date sold (mo., day, yr.)</p>	
(1) Enterprise Products Partners, Lp	P	10/31/11	02/16/12	
(2) Enterprise Products Partners, Lp	P	10/31/11	05/24/12	
(3) Kinder Morgan Energy Partners, LP	P	10/31/11	02/16/12	
(4) Kinder Morgan Energy Partners, LP	P	10/31/11	05/24/12	
(5) Plains All American Pipeline, LP	P	10/31/11	02/16/12	
(6) Plains All American Pipeline, LP	P	10/31/11	05/24/12	
(7) Suburban Propane Partners, LP	P	10/31/11	02/16/12	
(8) Suburban Propane Partners, LP	P	10/31/11	05/24/12	
(9) TC Pipeline, LP	P	10/31/11	02/16/12	
(10) TC Pipeline, LP	P	10/31/11	05/24/12	
(11) See Attached - William Blair & Co.	P	Various	Various	
(12) See Attached - William Blair & Co.	P	Various	Various	
(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) 23,355		20,276	3,079
(2) 117,182		94,408	22,774
(3) 23,638		20,071	3,567
(4) 111,850		88,769	23,081
(5) 24,894		20,177	4,717
(6) 127,710		100,401	27,309
(7) 18,318		20,278	-1,960
(8) 86,642		92,771	-6,129
(9) 20,479		20,186	293
(10) 100,464		96,608	3,856
(11) 1,505,833		1,422,973	82,860
(12) 123,690		110,230	13,460
(13)			
(14)			
(15)			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) OR Losses (from col. (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
(1)			3,079
(2)			22,774
(3)			3,567
(4)			23,081
(5)			4,717
(6)			27,309
(7)			-1,960
(8)			-6,129
(9)			293
(10)			3,856
(11)			82,860
(12)			13,460
(13)			
(14)			
(15)			

Federal Statements

8/14/2013 12:45 PM

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets

Whom Sold	Description	Date Acquired	Date Sold	How Received		Cost	Expense	Depreciation	Net Gain / Loss
				Sale Price	Purchase				
DIV Fund II -B		6/21/12	8/30/12	\$ 2,657	\$	\$	\$	\$	2,657
Total				\$ 2,657	\$	0	0	0	2,657

Statement 2 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books		Net Investment Income		Adjusted Net Income	
Loan Guarantee		\$ 3,205	\$	3,205	\$	3,205
Income - Clearpoint CSP LLC		-126				-126
Income - DIV Fund II-B		325				325
Income - DIV Fund II-B		-33,914				-33,914
Income - DIV Value Opportunit		128,592				128,592
Income - DIV Value Opportunit		139,563				139,563
Income - DIV-Charles River, L		-8,218				-8,218
Income - DIV-Charles River, L		39				39
Income - DIV-Fifty, LLC		190				190
Income - DIV-Fifty, LLC		13				13
Income - DMP 40/60 Inv., LLC		9,818				9,818
Income - DMP 40/60 Inv., LLC		1,542				1,542
Income - Engagement Health		-5,839				-5,839
Income - Enterprise Products		-3,684				-3,684
Income - Enterprise Products		632				632
Income - Kinder Morgan Energy		-7,504				-7,504
Income - Kinder Morgan Energy		28				28
Income - Linden, LP		-7,960				-7,960
Income - Linden, LP		-1,265				-1,265
Income - Marcus Capital Partn		-540				-540
Income - One Stone Energy LP		-17,244				-17,244
Income - Pace Realty Fund II		5,145				5,145
Income - Plains All American		-902				-902
Income - Plains All American		-192				-192

Federal Statements

Statement 2 - Form 990-PF, Part I, Line 11 - Other Income (continued)

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
Income - Primus Capital Fund	\$ -4,176	\$	\$ -4,176
Income - Suburban Propane Ptn	-3,219		-3,219
Income - Suburban Propane Ptn	-239		-239
Income - TC Pipelines	-3,124		-3,124
Income - TC Pipelines	-2		-2
Total	\$ 190,944	\$ 3,205	\$ 190,944

Statement 3 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Accounting Fees	\$ 9,893	\$ 7,420	\$	\$ 2,473
Total	\$ 9,893	\$ 7,420	\$ 0	\$ 2,473

Statement 4 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Broker Fees	\$ 18,027	\$ 18,027	\$	\$
Legal Fees	4,305	3,229		1,076
Total	\$ 22,332	\$ 21,256	\$ 0	\$ 1,076

Federal Statements

Statement 5 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Foreign Tax Withheld	\$ 920	\$ 920	\$	\$
Total	\$ 920	\$ 920	\$ 0	\$ 0

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Expenses				
Administrative Fees	36,000	18,000		18,000
Managed Asset Expense	1,419	1,419		
Total	\$ 37,419	\$ 19,419	\$ 0	\$ 18,000

Federal Statements

8/14/2013 12:45 PM

Statement 7 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
National Western Life Insurance - 50	\$ 58,375	\$ 58,375	Market	\$ 79,510
William Blair & Company	3,618,520	2,085,319	Market	2,273,802
Total	\$ 3,676,895	\$ 2,143,694		\$ 2,353,312

Statement 8 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
Partnership Interest, The Linden L.P	\$ 101,458	\$ 89,983	Cost	\$ 189,653
Members Interest, DIV-Fifty, LLC	-301,554	-303,701	Cost	22,533
Partnership Interest, DIV-Charles R	-1,200,155	-1,223,135	Cost	213,371
Members Interest, DMP 40/60 Inv, LLC	-3,027	-6,677	Cost	147,692
Partnership Interest, DIV Value Oppo	1,730,884	1,564,693	Cost	2,103,125
Partnership Interest, Marcus Capital	160,374	218,746	Cost	218,746
Members Interest, Engagement Health	177,521	171,682	Cost	171,682
Partnership Interest, Enterprise Pro	120,996		Cost	
Partnership Interest, Kinder Morgan	119,939		Cost	
Members Interest, Pace Realty Fund	119,127	171,892	Cost	171,892
Partnership Interest, Plains All Ame	125,359		Cost	
Partnership Interest, Suburban Propa	120,714		Cost	
Partnership Interest, TC Pipeline	123,921		Cost	
Members Interest, Clearpoint CSP LLC		258,624	Cost	258,624
Partnership Interest, DIV Fund II-B		241,411	Cost	257,317
Partnership Interest, One Stone CB2		194,932	Cost	194,862
Partnership Interest, One Stone Ener		632	Cost	632
Partnership Interest, Primus Fd VII		78,775	Cost	78,775
Total	\$ 1,395,557	\$ 1,457,857		\$ 4,028,904

Federal Statements**Statement 9 - Form 990-PF, Part II, Line 15 - Other Assets**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Fair Market Value</u>
Prepaid Federal Excise Tax	\$ <u> </u>	\$ <u>23,280</u>	\$ <u>23,280</u>
Total	\$ <u>0</u>	\$ <u>23,280</u>	\$ <u>23,280</u>

Statement 10 - Form 990-PF, Part III, Line 5 - Other Decreases

<u>Description</u>	<u>Amount</u>
Federal Excise Tax	\$ <u>20,072</u>
Unrelated Business Income Tax	<u>2,367</u>
Total	\$ <u>22,439</u>

Federal Statements

**Statement 11 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees,
Etc.**

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
John C. Dunagan P.O. Box 387 Monahans TX 79756	President	2.00	0	0	0
Robert Hardin 12230 West Forest Hill Blvd, Ste 214 Wellington FL 33414	Exec. Vice P	1.00	0	0	0
Kathy Dunagan 6211 Cape Coral Dr. Austin TX 78746	Secretary	1.00	2,400	0	0
Kathleen Kennedy Dunagan P.O. Box 387 Monahans TX 79756	Asst Secreta	1.00	0	0	0
Clay Dunagan Three Warson Hills Lane St. Louis MO 63124	Trustee	0.25	0	0	0
Deanna Dunagan 2130 N Lincoln Park West, Apt 16S Chicago IL 60614	Trustee	0.25	0	0	0
Carol Husbands 5000 Lime Kiln Road San Marcos TX 78666	Trustee	0.25	0	0	0

Federal Statements

Statement 12 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the
Year

Name		Address			Purpose	Amount
Address	Relationship	Status				
American Writers Theater, Chicago	Chicago IL 60022	N/A	376 Park Avenue	501 (c) (3)	To support literary arts	10,000
Best Buddies International	Miami FL 33131	N/A	100 SE 2nd St., Ste 2200	501 (c) (3)	To support charitable works	9,000
Chicago Shakespeare Theater	Chicago IL 60611	N/A	800 East Grand Avenue	501 (c) (3)	To support literary arts	2,500
Choate Rosemary Hall	Wallingford CT 06492	N/A	333 Christian Street	501 (c) (3)	To support educational works	1,000
Community Farms Outreach	Waltham MA 02452	N/A	240 Beaver Street	504(c)(3)	To support charitable works	200
Department of Development	Scottsdale AZ 85259	N/A	13400 E Shea Blvd	501 (c) (3)	To support medical works	20,000
Environmental Leadership Program	Greenbelt MD 20768	N/A	P.O. Box 907	501(c)(3)	To support environmental works	200
Equestrian Aid Foundation	Wellington FL 33414	N/A	11924 W Forest Hill Blvd	501 (c) (3)	To support medical works	1,400
First United Methodist, Monahans	Monahans TX 79756	N/A	600 S Alice	501(c)(3)	To support charitable works	10,000
Food Project	Lincoln MA 01773	N/A	10 Lewis Street	501 (c) (3)	To support charitable works	200
Grist Magazine	Seattle WA 98104	N/A	710 Second Ave, Suite 860	501(c)(3)	To support environmental works	200
Haven of Grace	St. Louis MO 63106	N/A	1225 Warren Street	501(c)(3)	To support charitable works	5,000
Mary Institute & STL Cty Day School	Saint Louis MO 63124	N/A	101 North Warson Road	501(c)(3)	To support educational works	5,000
Midland Community Theater	Midland TX 79705	N/A	2000 W Wadley Ave	501 (c) (3)	To support literary arts	10,000
Missouri Botanical Garden	St Louis MO 63110	N/A	4344 Shaw Boulevard	501 (c) (3)	To support charitable works	1,000
Orion Magazine	Great Barrington MA 01230	N/A	187 Main Street	501(c)(3)	To support enviornmental works	200
Parent-Child Home Program	Garden City NY 11530	N/A	1415 Kellum Place,Ste 101	501 (c) (3)	To support charitable works	8,000

Federal Statements

Statement 12 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the
Year (continued)

Name		Address		Relationship	Status	Purpose	Amount
Remy Bumpo Theatre Compa		Chicago IL 60613		N/A	3717 N. Ravenswood	To support literary arts	10,000
Shelburne Museum Annual Fund		Shelburne VT 05482		N/A	6000 Shelburne Road	To support literary arts	5,000
Silent Springs Institute		Newton MA 02458		N/A	29 Crafts Street	To support medical works	10,000
St. Louis Public Radio		St Louis MO 63121		N/A	One University Blvd.	To support literary works	1,000
St. Louis Shakespeare Festival		St Louis MO 63108		N/A	462 N. Taylor Ave	To support literary arts	1,250
St. Louis Symphony		St Louis MO 63103		N/A	718 North Grand Blvd	To support literary works	1,000
St. Peter's Episcopal Church		St. Louis MO 63124		N/A	110 N Watson Road	To support charitable works	4,500
Steppenwolf Theatre Company		Chicago IL 60614		N/A	1650 N. Halsted St.	To support literary arts	15,000
The Island School		Princeton NJ 08543		N/A	P.O. Box 5910	To support educational works	100,000
Thrangu Nunnery		Hartford CT 06105		N/A	157 Elizabeth Street	To support charitable works	2,000
United Way of Greater St. Louis		St. Louis MO 63101		N/A	910 N 11th Street	To support charitable works	10,000
Vinceremos Therapeutic Riding Cente		Loxahatchee FL 33470		N/A	13300 6th Court North	To support charitable works	5,000
Washington Univ School of Medicine		St Louis MO 63105		N/A	Campus Box1247	To support educational works	5,000
Wesleyan University		Middletown CT 06459		N/A	45 Wyllys Avenue	To support educational works	1,000
Worthy Johnson Scholarship Trust		Westport CT 06880		N/A	P.O. Box 2783	To support educational works	2,000

Federal Statements

Statement 12 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the
Year (continued)

Name	Address	Relationship	Status	Purpose	Amount
Total					256,650

Federal Statements**Statement 13 - Form 990-PF, Part XVI-A, Line 11 - Other Revenue**

<u>Description</u>	<u>Business Code</u>	<u>Unrelated Amount</u>	<u>Exclusion Code</u>	<u>Exclusion Amount</u>	<u>Related Income</u>
Income - Clearpoint CSP LLC					
		\$		\$	\$ -126
Income - DIV Fund II-B					
	531120	325			
Income - DIV Fund II-B					
					-33,914
Income - DIV Value Opportun					
	531120	128,592			
Income - DIV Value Opportun					
					139,563
Income - DIV-Charles River,					
	531120	-8,218			
Income - DIV-Charles River,					
					39
Income - DIV-Fifty, LLC					
	533110	190			
Income - DIV-Fifty, LLC					
					13
Income - DMP 40/60 Inv., LL					
	531120	9,818			
Income - DMP 40/60 Inv., LL					
					1,542
Income - Engagement Health					
					-5,839
Income - Enterprise Product					
	531120	-3,684			
Income - Enterprise Product					
					632
Income - Kinder Morgan Ener					
	531120	-7,504			
Income - Kinder Morgan Ener					
					28
Income - Linden, LP					
	531120	-7,960			
Income - Linden, LP					
					-1,265
Income - Marcus Capital Par					
					-540
Income - One Stone Energy L					
					-17,244
Income - Pace Realty Fund I					
					5,145
Income - Plains All America					
	531120	-902			
Income - Plains All America					
					-192
Income - Primus Capital Fun					
					-4,176
Income - Suburban Propane P					
	531120	-3,219			
Income - Suburban Propane P					
					-239

Federal Statements**Statement 13 - Form 990-PF, Part XVI-A, Line 11 - Other Revenue (continued)**

<u>Description</u>	<u>Business Code</u>	<u>Unrelated Amount</u>	<u>Exclusion Code</u>	<u>Exclusion Amount</u>	<u>Related Income</u>
Income - TC Pipelines	531120	\$ -3,124		\$	\$
Income - TC Pipelines					-2
Total		\$ <u>104,314</u>		\$ <u>0</u>	\$ <u>83,425</u>

Standard Realized Capital Gain/Loss

Reporting Currency: USD

January 01, 2012 to December 31, 2012
DUNAGAN FOUNDATION INC
Consolidated
145-08748

75-1561848

PTP = Publicly Traded Partnerships

Purchase Date	Sale Date	Quantity	Identifier	Security Description	Cost Basis	Proceeds	Short Term Gain/Loss	Long Term Gain/Loss	Total Realized Gain/Loss
10/31/11	02/16/12	575.000	ATO	ATMOS ENERGY CORP	19,930.71	18,170.93	(1,759.78)	0.00	(1,759.78)
10/31/11	02/16/12	410.000	AZN US	ASTRAZENECA PLC-SPONS ADR	20,003.49	18,482.46	(1,521.03)	0.00	(1,521.03)
10/31/11	02/16/12	510.000	BCE US	BCE INC	20,305.80	20,333.33	27.53	0.00	27.53
10/31/11	02/16/12	625.000	BMV	BRISTOL-MYERS SQUIBB CO	19,962.50	20,018.38	55.88	0.00	55.88
10/31/11	02/16/12	980.000	DUK	DUKE ENERGY CORP	20,237.00	20,717.80	480.80	0.00	480.80
10/31/11	02/16/12	345.000	ED	CONSOLIDATED EDISON INC	20,047.95	20,016.53	(31.42)	0.00	(31.42)
10/31/11	02/16/12	450.000	EPD	ENTERPRISE PRODUCTS PARTNERS	20,275.74	23,354.57	3,078.83	0.00	3,078.83
10/31/11	02/16/12	810.000	EWA US	ISHARES MSCI AUSTRALIA INDEX	19,553.40	18,864.55	(688.85)	0.00	(688.85)
10/31/11	02/16/12	310.000	EWZ US	ISHARES MSCI BRAZIL CAPPED I	19,634.87	21,203.61	1,568.74	0.00	1,568.74
10/31/11	02/16/12	1,235.000	GTY	GETTY REALTY CORP	19,874.86	21,617.41	1,742.55	0.00	1,742.55
10/31/11	02/16/12	500.000	HCP	HCP INC	20,301.11	20,024.63	(276.48)	0.00	(276.48)
09/29/10	02/16/12	285.000	KMB	KIMBERLY-CLARK CORP	18,584.85	20,374.28	1,789.43	0.00	1,789.43
10/31/11	02/16/12	265.000	KMP	KINDER MORGAN ENERGY PARTNRS	20,071.10	23,637.57	3,566.47	0.00	3,566.47
10/31/11	02/16/12	900.000	LEG	LEGGETT & PLATT INC	20,050.20	19,475.64	(574.56)	0.00	(574.56)
10/29/10	02/16/12	835.000	MLPN	CREDIT SUISSE CUSHING 30 MLP	19,129.85	21,626.10	2,496.25	0.00	2,496.25
10/31/11	02/16/12	730.000	MO	ALTRIA GROUP INC	20,308.60	21,527.31	1,218.71	0.00	1,218.71
10/31/11	02/16/12	350.000	NEE	NEXTERA ENERGY INC	19,930.54	21,213.11	1,282.57	0.00	1,282.57
10/31/11	02/16/12	590.000	O	REALTY INCOME CORP	19,966.12	21,640.80	1,674.68	0.00	1,674.68
10/31/11	02/16/12	305.000	PAA	PLAINS ALL AMER PIPELINE LP	20,176.51	24,893.99	4,717.48	0.00	4,717.48
10/31/11	02/16/12	280.000	PM	PHILIP MORRIS INTERNATIONAL	19,954.96	22,993.18	3,038.22	0.00	3,038.22
10/31/11	02/16/12	675.000	PPL	PPL CORPORATION	20,055.67	19,129.15	(926.52)	0.00	(926.52)
10/31/11	02/16/12	870.000	RPM	RPM INTERNATIONAL INC	19,872.63	22,067.85	2,195.22	0.00	2,195.22
10/31/11	02/16/12	470.000	SCG	SCANA CORP	20,091.56	20,961.62	870.06	0.00	870.06
09/29/10	02/16/12	465.000	SO	SOUTHERN CO/THE	17,430.90	20,617.72	3,186.82	0.00	3,186.82
10/31/11	02/16/12	425.000	SPH	SUBURBAN PROPANE PARTNERS LP	20,278.32	18,318.18	(1,960.14)	0.00	(1,960.14)
10/29/10	02/16/12	675.000	T	AT&T INC	19,277.46	20,283.38	1,005.92	0.00	1,005.92
10/31/11	02/16/12	445.000	TCP	TC PIPELINES LP	20,186.13	20,478.98	292.85	0.00	292.85
10/31/11	02/16/12	515.000	UHT	UNIVERSAL HEALTH RLTY INCOME	19,932.92	20,317.00	384.08	0.00	384.08
10/31/11	02/16/12	525.000	UNS	UNS ENERGY CORP	19,596.99	19,970.63	373.64	0.00	373.64
10/31/11	02/16/12	460.000	UVV	UNIVERSAL CORP/VA	20,000.25	21,821.22	1,820.97	0.00	1,820.97
10/31/11	02/16/12	715.000	VOD US	VODAFONE GROUP PLC-SP ADR	20,199.47	19,619.24	(580.23)	0.00	(580.23)
10/31/11	02/16/12	695.000	VVC	VECTREN CORPORATION	20,000.92	20,377.03	376.11	0.00	376.11
02/25/10	02/16/12	535.000	VZ	VERIZON COMMUNICATIONS INC	14,419.95	20,356.38	5,936.43	0.00	5,936.43
09/29/10	02/16/12	595.000	WM	WASTE MANAGEMENT INC	21,386.50	20,432.41	(954.09)	0.00	(954.09)
10/31/11	05/24/12	2,390.000	EPD	ENTERPRISE PRODUCTS PARTNERS	107,686.71	117,181.70	9,494.99	0.00	9,494.99
10/31/11	05/24/12	6,595.000	GTY	GETTY REALTY CORP	106,133.33	106,419.80	286.47	0.00	286.47
10/31/11	05/24/12	2,675.000	HCP	HCP INC	108,284.13	109,424.84	1,140.71	0.00	1,140.71
10/31/11	05/24/12	1,405.000	KMP	KINDER MORGAN ENERGY PARTNRS	106,414.70	111,849.54	5,434.84	0.00	5,434.84

Amounts reported may not necessarily agree with those reported on the 1099 statement. The 1099 statement is the official record of interest, dividends, distributions and transaction proceeds and is the authoritative source for covered lot information. Capital gains tax rates are determined by the type of investment asset and the holding period. Please consult with your tax advisor for specific details.

William Blair

Standard Realized Capital Gain/Loss

Reporting Currency: USD

January 01, 2012 to December 31, 2012
DUNAGAN FOUNDATION INC
Consolidated
145-08748

75-1561848

Purchase Date	Sale Date	Quantity	Identifier	Security Description	Cost Basis	Proceeds	Short Term Gain/Loss	Long Term Gain/Loss	Total Realized Gain/Loss
10/31/11	05/24/12	3,165,000	O	REALTY INCOME CORP	107,106.39	122,013.39	14,907.00	0.00	14,907.00
10/31/11	05/24/12	1,630,000	PAA	PTP → PLAINS ALL AMER PIPELINE LP	107,828.58	127,710.08	19,881.50	0.00	19,881.50
10/31/11	05/24/12	2,255,000	SPH	PTP → SUBURBAN PROPANE PARTNERS LP	107,594.40	86,642.14	(20,952.26)	0.00	(20,952.26)
10/31/11	05/24/12	2,375,000	TCP	PTP → TC PIPELINES LP	107,734.99	100,464.04	(7,270.95)	0.00	(7,270.95)
10/31/11	05/24/12	2,760,000	UHT	UNIVERSAL HEALTH RLTY INCOME	106,824.97	105,573.15	(1,251.82)	0.00	(1,251.82)
10/31/11	07/16/12	1,000	DUK	DUKE ENERGY CORP	61.95	65.98	4.03	0.00	4.03
10/31/11	10/19/12	3,895,000	MO	ALTRIA GROUP INC	108,358.90	128,392.28	20,033.38	0.00	20,033.38
10/31/11	10/19/12	4,640,000	RPM	RPM INTERNATIONAL INC	105,987.34	126,405.61	20,418.27	0.00	20,418.27
10/31/11	10/19/12	2,790,000	UNS	UNS ENERGY CORP	104,144.01	118,531.05	14,387.04	0.00	14,387.04
10/31/11	10/19/12	3,810,000	VOD US	VODAFONE GROUP PLC-SP ADR	107,636.31	108,315.86	679.55	0.00	679.55
10/31/11	10/19/12	3,725,000	VVC	VECTREN CORPORATION	107,199.16	110,127.15	2,927.99	0.00	2,927.99
Total Gain/Loss					2,170,025.70	2,284,053.58	100,567.12	13,460.76	114,027.88
					LESS PTP < 638,247.18 >		< 654,530.79 >		< 16,283.61 >
					1,531,778.52		1,629,522.79		
					LESS LT < 110,229.51 >		< 123,690.17 >		
					1,421,549.01		1,505,832.52		
							84,283.51		
							13,460.76		
							97,844.27		

Amounts reported may not necessarily agree with those reported on the 1099 statement. The 1099 statement is the official record of interest, dividends, distributions and transaction proceeds and is the authoritative source for covered lot information. Capital gains tax rates are determined by the type of investment asset and the holding period. Please consult with your tax advisor for specific details.

William Blair