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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

2012

Open to Public Inspection

For calendar year 2012 or tax year beginning , 2012, and ending , 20

Name of foundation THE VAUGHN FOUNDATION P65245006		A Employer identification number 75-6008953
Number and street (or P O box number if mail is not delivered to street address)	Room/suite	B Telephone number (see instructions) 866- 888-5157
City or town, state, and ZIP code CHICAGO, IL 60603		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input checked="" type="checkbox"/> Address 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) ▶ \$ 7,867,047.		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____		

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)
1	Contributions, gifts, grants, etc., received (attach schedule)	69,955.			
2	Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	151,535.	146,637.		
5a	Gross rents				
	b Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	153,406.			
b	Gross sales price for all assets on line 6a 2,201,359.				
7	Capital gain net income (from Part IV, line 2)		153,406.		
8	Net short-term capital gain				
9	Income modifications				
10 a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule)	3,386.			STMT 1
12	Total. Add lines 1 through 11	378,282.	300,043.		
13	Compensation of officers, directors, trustees, etc	54,697.	41,023.		13,674.
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule)				
c	Other professional fees (attach schedule)				
17	Interest				
18	Taxes (attach schedule) (see instructions) STMT 2	2,216.	766.		
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (attach schedule)				
24	Total operating and administrative expenses. Add lines 13 through 23	56,913.	41,789.		13,674.
25	Contributions, gifts, grants paid	402,500.			402,500.
26	Total expenses and disbursements. Add lines 24 and 25	459,413.	41,789.		416,174.
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements	-81,131.			
b	Net investment income (if negative, enter -0-)		258,254.		
c	Adjusted net income (if negative, enter -0-)				

SCANNED DEC 10 2013

Operating and Administrative Expenses

614

a

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			27,007.	27,007.
	2	Savings and temporary cash investments		205,962.	462,048.	462,048.
	3	Accounts receivable				
		Less allowance for doubtful accounts		11,910.		
	4	Pledges receivable				
		Less allowance for doubtful accounts				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)				
	7	Other notes and loans receivable (attach schedule)				
		Less allowance for doubtful accounts				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10 a	Investments - U S and state government obligations (attach schedule)				
	b	Investments - corporate stock (attach schedule) STMT 3		3,145,784.	2,782,461.	3,148,688.
	c	Investments - corporate bonds (attach schedule) STMT 4		2,866,055.	2,865,154.	3,125,649.
	11	Investments - land, buildings, and equipment basis				
	Less accumulated depreciation (attach schedule)					
12	Investments - mortgage loans					
13	Investments - other (attach schedule) STMT 5		1,185,452.	1,200,452.	1,103,655.	
14	Land, buildings, and equipment basis					
	Less accumulated depreciation (attach schedule)					
15	Other assets (describe)					
16	Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)		7,415,163.	7,337,122.	7,867,047.	
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe)				
23	Total liabilities (add lines 17 through 22)				NONE	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>					
	27	Capital stock, trust principal, or current funds		7,415,163.	7,337,122.	
	28	Paid-in or capital surplus, or land, bldg, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds				
	30	Total net assets or fund balances (see instructions)		7,415,163.	7,337,122.	
	31	Total liabilities and net assets/fund balances (see instructions)		7,415,163.	7,337,122.	

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	7,415,163.
2	Enter amount from Part I, line 27a	2	-81,131.
3	Other increases not included in line 2 (itemize) RECOVER AMOUNT TREATED AS QUALIFYING DISTRIBUTION	3	15,000.
4	Add lines 1, 2, and 3	4	7,349,032.
5	Decreases not included in line 2 (itemize) PRIOR PERIOD ADJUSTMENT	5	11,910.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	7,337,122.

Form 990-PF (2012)

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 PUBLICLY TRADED SECURITIES					
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 2,201,359.		2,047,952.	153,407.		
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))		
(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			
a			153,407.		
b					
c					
d					
e					
2 Capital gain net income or (net capital loss)			2	153,407.	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):			3		
If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8					

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	418,101.	7,894,579.	0.052961
2010	355,393.	7,764,602.	0.045771
2009	332,919.	7,106,056.	0.046850
2008	412,084.	8,198,395.	0.050264
2007	339,671.	9,392,319.	0.036165

2 Total of line 1, column (d)	2	0.232011
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	0.046402
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	7,782,373.
5 Multiply line 4 by line 3	5	361,118.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	2,583.
7 Add lines 5 and 6	7	363,701.
8 Enter qualifying distributions from Part XII, line 4	8	416,174.

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)		1	2,583.
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			
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	
3 Add lines 1 and 2		3	2,583.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	NONE
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	2,583.
6 Credits/Payments			
a 2012 estimated tax payments and 2011 overpayment credited to 2012	6a	2,571.	
b Exempt foreign organizations - tax withheld at source	6b	NONE	
c Tax paid with application for extension of time to file (Form 8868)	6c	NONE	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	2,571.	
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	12.	
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 checked="" type="checkbox"/> NONE Refunded <input 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 <input checked="" type="checkbox"/> \$ (2) On foundation managers <input type="checkbox"/> \$		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$		
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?		
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) <input checked="" type="checkbox"/> 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 STMT 6	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?	13	X	
Website address N/A				
14	The books are in care of JPMORGAN CHASE BANK NA Telephone no (866) 888-5157 Located at 10 S DEARBORN ST; MC: IL1-0117, CHICAGO, IL ZIP+4 60603			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <input type="checkbox"/> 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?	16	Yes	No X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country				

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required**File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.**

	Yes	No
1a During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<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 checked="" type="checkbox"/> Yes	<input 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)?	1b	X
Organizations relying on a current notice regarding disaster assistance check here <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?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If "Yes," list the years		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions)	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here		
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)	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

Form 990-PF (2012)

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? ☐ Yes ☒ NoOrganizations relying on a current notice regarding disaster assistance check here ☐ **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? ☐ Yes ☒ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No **6b**

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No**b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No **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
JPMORGAN CHASE BANK, NA 10 S DEARBORN ST; MC: IL1-0117, CHICAGO, IL 60603	TRUSTEE 2	54,697.	-0-	-0-

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

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

Total number of other employees paid over \$50,000 ☐ **NONE**

Form 990-PF (2012)

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		NONE
Total number of others receiving over \$50,000 for professional services		NONE

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 NONE	
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 NONE	
2	
All other program-related investments See instructions	
3 NONE	
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	7,446,794.
b	Average of monthly cash balances	1b	454,092.
c	Fair market value of all other assets (see instructions)	1c	NONE
d	Total (add lines 1a, b, and c)	1d	7,900,886.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	NONE
3	Subtract line 2 from line 1d	3	7,900,886.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	118,513.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	7,782,373.
6	Minimum investment return. Enter 5% of line 5	6	389,119.

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	389,119.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	2,583.
b	Income tax for 2012 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	2,583.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	386,536.
4	Recoveries of amounts treated as qualifying distributions	4	15,000.
5	Add lines 3 and 4	5	401,536.
6	Deduction from distributable amount (see instructions)	6	NONE
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	401,536.

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	416,174.
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	NONE
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	416,174.
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	2,583.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	413,591.

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				401,536.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			NONE	
b Total for prior years 20____, 20____, 20____		NONE		
3 Excess distributions carryover, if any, to 2012				
a From 2007	NONE			
b From 2008	NONE			
c From 2009	NONE			
d From 2010	NONE			
e From 2011	23,974.			
f Total of lines 3a through e	23,974.			
4 Qualifying distributions for 2012 from Part XII, line 4: ► \$ 416,174.				
a Applied to 2011, but not more than line 2a			NONE	
b Applied to undistributed income of prior years (Election required - see instructions)		NONE		
c Treated as distributions out of corpus (Election required - see instructions)	NONE			
d Applied to 2012 distributable amount				401,536.
e Remaining amount distributed out of corpus	14,638.			
5 Excess distributions carryover applied to 2012 . (If an amount appears in column (d), the same amount must be shown in column (a))	NONE			NONE
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	38,612.			
b Prior years' undistributed income Subtract line 4b from line 2b		NONE		
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		NONE		
d Subtract line 6c from line 6b Taxable amount - see instructions		NONE		
e Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount - see instructions			NONE	
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013				NONE
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	NONE			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)	NONE			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	38,612.			
10 Analysis of line 9.				
a Excess from 2008	NONE			
b Excess from 2009	NONE			
c Excess from 2010	NONE			
d Excess from 2011	23,974.			
e Excess from 2012	14,638.			

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

NOT APPLICABLE

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)

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

Part XV Supplementary Information (Complete this part only if the 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:

SEE STATEMENT 7

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

SEE ATTACHED STATEMENT FOR LINE 2

c Any submission deadlines

SEE ATTACHED STATEMENT FOR LINE 2

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

SEE ATTACHED STATEMENT FOR LINE 2

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 18				402,500.
Total			3a	402,500.
b Approved for future payment				
Total			3b	

Form **990-PF** (2012)

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						
4 Dividends and interest from securities			14	151,535.		
5 Net rental income or (loss) from real estate:						
a Debt-financed property						
b Not debt-financed property						
6 Net rental income or (loss) from personal property .						
7 Other investment income						
8 Gain or (loss) from sales of assets other than inventory			18	153,406.		
9 Net income or (loss) from special events						
10 Gross profit or (loss) from sales of inventory . .						
11 Other revenue a _____						
b DEFERRED REVENUE			14	3,386.		
c _____						
d _____						
e _____						
12 Subtotal. Add columns (b), (d), and (e)				308,327.		
13 Total. Add line 12, columns (b), (d), and (e)					13	308,327.

(See worksheet in line 13 instructions to verify calculations)

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

[illegible]

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

**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.

Anthony Ward
Signature of officer or trustee

11/05/2013
Date

▶
Title

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

**Paid
Preparer
Use Only**

Print/Type preparer's name

Preparer's signature

Date _____

Check <input type="checkbox"/> if self-employed	PTIN
---	------

Firm's name ▶

Firm's EIN ►

Firm's address ►

Phone no

Schedule of Contributors

OMB No 1545-0047

► Attach to Form 990, Form 990-EZ, or Form 990-PF.

2012

Name of the organization

Employer identification number

THE VAUGHN FOUNDATION P65245006

75-6008953

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☐ 501(c)() (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust not treated as a private foundation

☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ► \$

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization

THE VAUGHN FOUNDATION P65245006

Employer identification number

75-6008953

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	SARAH MOSLEY MOTES CRUT 10 S DEARBORN ST; IL1-0117 CHICAGO, IL 60603	\$ 69,955.	Person <input checked="checked" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

FORM 990PF, PART I - OTHER INCOME
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----
DEFERRED REVENUE	3,386.

TOTALS	3,386.
	=====

FORM 990PF, PART I - TAXES
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----
FEDERAL ESTIMATES - INCOME	150.	
FEDERAL ESTIMATES - PRINCIPAL	1,300.	
FOREIGN TAXES ON QUALIFIED FOR	541.	541.
FOREIGN TAXES ON NONQUALIFIED	225.	225.
	-----	-----
TOTALS	2,216.	766.
	=====	=====

THE VAUGHN FOUNDATION P65245006

75-6008953

FORM 990PF, PART II - CORPORATE STOCK
=====

DESCRIPTION -----	ENDING BOOK VALUE -----	ENDING FMV ----
SEE ATTACHED	2,782,461.	3,148,688.
	-----	-----
TOTALS	2,782,461.	3,148,688.
	=====	=====

THE VAUGHN FOUNDATION P65245006
FORM 990PF, PART II - CORPORATE BONDS
=====

75-6008953

DESCRIPTION -----	ENDING BOOK VALUE -----	ENDING FMV ----
SEE ATTACHED	2,865,154.	3,125,649.
	-----	-----
TOTALS	2,865,154.	3,125,649.
	=====	=====

FORM 990PF, PART II - OTHER INVESTMENTS
=====

COST/
FMV
C OR F

ENDING
BOOK VALUE

ENDING
FMV

SEE ATTACHED

C

1,200,452. 1,103,655.

TOTALS

1,200,452. 1,103,655.

FORM 990PF, PART VII-A - NEW SUBSTANTIAL CONTRIBUTORS

=====

NAME AND ADDRESS

SARAH MOSLEY MOTES CRUT
10 S DEARBORN ST; IL1-0117
CHICAGO, IL 60603

THE VAUGHN FOUNDATION P65245006
FORM 990PF, PART XV - LINES 2a - 2d
=====

75-6008953

RECIPIENT NAME:

MARC IRVIN

ADDRESS:

712 MAIN STREET, FL 11
HOUSTON, TX 77002-3201

RECIPIENT'S PHONE NUMBER: 713-216-4515

FORM, INFORMATION AND MATERIALS:

NO PRESCRIBED FORM REQUIRED

SUBMISSION DEADLINES:

NONE

RESTRICTIONS OR LIMITATIONS ON AWARDS:

NONE

STATEMENT 7

=====

RECIPIENT NAME:

PRESBYTERIAN SCHOOL OF HOUSTON

ADDRESS:

*

HOUSTON, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 30,000.

RECIPIENT NAME:

UNIVERSITY OF TEXAS AT TYLER

ADDRESS:

*

TYLER, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 62,000.

RECIPIENT NAME:

ALLEY THEATER

ADDRESS:

*

HOUSTON, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 15,000.

=====

RECIPIENT NAME:

DA CAMERA OF HOUSTON

ADDRESS:

*

HOUSTON, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 15,000.

RECIPIENT NAME:

DUCHENSE ACADEMY OF THE SACRED
HEART

ADDRESS:

*

HOUSTON, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 15,000.

RECIPIENT NAME:

HOUSTON BALLET FOUNDATION

ADDRESS:

*

HOUSTON, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 15,000.

=====

RECIPIENT NAME:

HOUSTON FRIENDS OF CHAMBER MUSIC

ADDRESS:

*

HOUSTON, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 15,000.

RECIPIENT NAME:

HOUSTON INTERNATIONAL DANCE

COALITION

ADDRESS:

*

HOUSTON, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 15,000.

RECIPIENT NAME:

HOUSTON SYMPHONY SOCIETY

ADDRESS:

*

HOUSTON, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 15,000.

=====

RECIPIENT NAME:

RONALD MCDONALD HOUSE OF HOUSTON
INC

ADDRESS:

*

HOUSTON, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 15,000.

RECIPIENT NAME:

SUSAN SMITH BLACKBURN PRIZE INC

ADDRESS:

*

HOUSTON, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 15,000.

RECIPIENT NAME:

UNIVERSITY OF TEXAS MD ANDERSON
CANCER CENTER

ADDRESS:

*

HOUSTON, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 15,000.

FORM 990PF, PART XV, LINE 3a - CONTRIBUTIONS, GIFTS, GRANTS PAID

=====

RECIPIENT NAME:

TEXAS CHILDRENS HOSPITAL

ADDRESS:

*

HOUSTON, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 12,500.

RECIPIENT NAME:

UNIVERSITY OF TEXAS MEDICAL BRANCH

ADDRESS:

*

GALVESTON, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 10,000.

RECIPIENT NAME:

RIVER OAKS BAPTIST SCHOOL

ADDRESS:

*

HOUSTON, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 20,000.

FORM 990PF, PART XV, LINE 3a - CONTRIBUTIONS, GIFTS, GRANTS PAID

=====

RECIPIENT NAME:

CLASP INTERNATIONAL

ADDRESS:

*

DALLAS, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 10,000.

RECIPIENT NAME:

MUSIC IN CONTEXT

ADDRESS:

*

FRIENDSWOOD, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 10,000.

RECIPIENT NAME:

PINE COVE INC

ADDRESS:

*

TYLER, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 10,000.

FORM 990PF, PART XV, LINE 3a - CONTRIBUTIONS, GIFTS, GRANTS PAID

=====

RECIPIENT NAME:

HOUSTON FOOD BANK

ADDRESS:

*

HOUSTON, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 5,000.

RECIPIENT NAME:

FOUNDATION FOR TOMORROW DBA

YELLOWSTONE ACADEMY

ADDRESS:

*

HOUSTON, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 5,000.

RECIPIENT NAME:

GLENWOOD CEMETERY INC

ADDRESS:

*

HOUSTON, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 5,000.

FORM 990PF, PART XV, LINE 3a - CONTRIBUTIONS, GIFTS, GRANTS PAID

=====

RECIPIENT NAME:

AMERICAN CANCER SOCIETY

ADDRESS:

*

HOUSTON, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 5,000.

RECIPIENT NAME:

ART LEAGUE OF HOUSTON

ADDRESS:

*

HOUSTON, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 5,000.

RECIPIENT NAME:

MAIN STREET THEATER AT AUTRY HOUSE

ADDRESS:

*

HOUSTON, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 5,000.

=====

RECIPIENT NAME:

CENTER FOR HEARING AND SPEECH

ADDRESS:

*

HOUSTON, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 5,000.

RECIPIENT NAME:

MEALS ON WHEELS MINISTRY INC

ADDRESS:

*

TYLER, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 5,000.

RECIPIENT NAME:

SPECIAL OLYMPICS TEXAS INC

ADDRESS:

*

AUSTIN, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 5,000.

=====

RECIPIENT NAME:

ST LUKES UNITED METHODIST CHURCH

ADDRESS:

*

HOUSTON, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 5,000.

RECIPIENT NAME:

STAGES INC

ADDRESS:

*

HOUSTON, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 10,000.

RECIPIENT NAME:

HOUSTON SOCIETY FOR THE PREVENTION
OF CRUELTY TO ANIMALS

ADDRESS:

*

HOUSTON, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 2,000.

=====

RECIPIENT NAME:

ORANGE SHOW FOUNDATION

ADDRESS:

*

HOUSTON, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 1,000.

RECIPIENT NAME:

HOUSTON GRAND OPERA ASSOCIATION INC

ADDRESS:

*

HOUSTON, TX

RELATIONSHIP:

NONE

PURPOSE OF GRANT:

GENERAL

FOUNDATION STATUS OF RECIPIENT:

PUBLIC

AMOUNT OF GRANT PAID 25,000.

TOTAL GRANTS PAID:

402,500.

=====

**SCHEDULE D
(Form 1041)**

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

► Attach to Form 1041, Form 5227, or Form 990-T.
► Information about Schedule D (Form 1041) and its separate instructions is at
www.irs.gov/form1041.

OMB No 1545-0092

2012

Name of estate or trust

THE VAUGHN FOUNDATION P65245006

Employer identification number

75-6008953

Note: Form 5227 filers need to complete **only** Parts I and II.

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1a					

b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b	1b	8,395.
2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	2	
3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	3	
4 Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2011 Capital Loss Carryover Worksheet	4	()
5 Net short-term gain or (loss). Combine lines 1a through 4 in column (f). Enter here and on line 13, column (3) on the back ►	5	8,395.

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6a LONG-TERM CAPITAL GAIN DIVIDENDS					64,210.

b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b	6b	80,802.
7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	7	
8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	8	
9 Capital gain distributions	9	
10 Gain from Form 4797, Part I	10	
11 Long-term capital loss carryover Enter the amount, if any, from line 14 of the 2011 Capital Loss Carryover Worksheet	11	()
12 Net long-term gain or (loss). Combine lines 6a through 11 in column (f). Enter here and on line 14a, column (3) on the back ►	12	145,012.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D (Form 1041) 2012

JSA

2F1210 2 000

RI3652 501G 11/05/2013 17:37:41

P65245006

39 -

Part III Summary of Parts I and II		(1) Beneficiaries' (see instr)	(2) Estate's or trust's	(3) Total
Caution: Read the instructions before completing this part.				
13 Net short-term gain or (loss)	13			8,395.
14 Net long-term gain or (loss):				
a Total for year	14a			145,012.
b Unrecaptured section 1250 gain (see line 18 of the wrkshet.)	14b			
c 28% rate gain	14c			
15 Total net gain or (loss). Combine lines 13 and 14a ▶	15			153,407.

Note: If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 14a and 15, column (2), are net gains, go to Part V, and do not complete Part IV. If line 15, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet**, as necessary.

Part IV Capital Loss Limitation

16 Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the smaller of:	16	()
a The loss on line 15, column (3) or b \$3,000		

Note: If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the **Capital Loss Carryover Worksheet** in the instructions to figure your capital loss carryover.

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part only if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero.

Caution: Skip this part and complete the **Schedule D Tax Worksheet** in the instructions if:

- Either line 14b, col. (2) or line 14c, col. (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero.

Form 990-T trusts. Complete this part only if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero. Skip this part and complete the **Schedule D Tax Worksheet** in the instructions if either line 14b, col. (2) or line 14c, col. (2) is more than zero.

17 Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34)	17		
18 Enter the smaller of line 14a or 15 in column (2) but not less than zero	18		
19 Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T)	19		
20 Add lines 18 and 19	20		
21 If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0- . . . ▶	21		
22 Subtract line 21 from line 20. If zero or less, enter -0-	22		
23 Subtract line 22 from line 17. If zero or less, enter -0-	23		
24 Enter the smaller of the amount on line 17 or \$2,400	24		
25 Is the amount on line 23 equal to or more than the amount on line 24?			
<input type="checkbox"/> Yes. Skip lines 25 and 26; go to line 27 and check the "No" box.			
<input type="checkbox"/> No. Enter the amount from line 23	25		
26 Subtract line 25 from line 24	26		
27 Are the amounts on lines 22 and 26 the same?			
<input type="checkbox"/> Yes. Skip lines 27 thru 30, go to line 31			
<input type="checkbox"/> No. Enter the smaller of line 17 or line 22	27		
28 Enter the amount from line 26 (If line 26 is blank, enter -0-)	28		
29 Subtract line 28 from line 27	29		
30 Multiply line 29 by 15% (15)		30	
31 Figure the tax on the amount on line 23. Use the 2012 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)		31	
32 Add lines 30 and 31		32	
33 Figure the tax on the amount on line 17. Use the 2012 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)		33	
34 Tax on all taxable income. Enter the smaller of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36)		34	

Schedule D (Form 1041) 2012

Department of the Treasury
Internal Revenue Service

▶ **Attach to Schedule D to list additional transactions for lines 1a and 6a.**

2012

Name of estate or trust

Employer identification number

75-6008953

**(a) Description of property (Example
100 sh. 7% preferred of "Z" Co)**

(b) Date
acquired
(mo , day, yr)

(c) Date sold
(mo , day, yr)

(d) Sales price

(e) Cost or other basis
(see instructions)

(f) Gain or (loss)
Subtract (e) from (d)

02/03/2012

08/20/2012

122,245.00

113,850.00

8,395.00

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D-1 (Form 1041) 2012

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41 -

Name of estate or trust as shown on Form 1041 Do not enter name and employer identification number if shown on the other side

Employer identification number

THE VAUGHN FOUNDATION P65245006

75-6008953

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example 100 sh 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
6a 125000. DB CALLABLE REN SP	01/14/2011	02/01/2012	129,843.00	123,750.00	6,093.00
80000. CS BREN EAFE 2/29/1	02/11/2011	02/29/2012	76,485.00	79,200.00	-2,715.00
. JUNIPER NETWORKS INC		02/29/2012	202.00		202.00
125000. SG CONT BUFF EQ SP	03/04/2011	03/21/2012	132,855.00	123,750.00	9,105.00
100000. BNP CONT BUFF EQ S	09/30/2010	04/13/2012	119,049.00	98,750.00	20,299.00
80000. DB PALLDIUM COUPON	04/01/2011	04/13/2012	87,200.00	79,200.00	8,000.00
80000. DB BREN EAFE 3/28/1	03/11/2011	04/20/2012	77,672.00	79,200.00	-1,528.00
15178.527 MANNING & NAPIER	VAR	05/31/2012	268,660.00	197,296.00	71,364.00
6996.269 JPMORGAN INTERNAT CURRENCY	VAR	06/05/2012	75,000.00	78,861.00	-3,861.00
125000. HSBC CONT BUFF EQ 06/27/12	06/10/2011	06/27/2012	131,298.00	123,750.00	7,548.00
. ENRON CORP		07/19/2012	2,166.00		2,166.00
7212.992 ARTIO INTERNATION - I	08/29/2007	08/06/2012	72,779.00	116,634.00	-43,855.00
4813.08 DODGE & INTERNATIO FUND	02/07/2011	08/23/2012	153,297.00	177,266.00	-23,969.00
80000. BARC BREN EAFE 08/	08/12/2011	08/29/2012	82,235.00	79,200.00	3,035.00
115000. HSBC CONT BUFF EQ	09/30/2011	10/17/2012	138,000.00	113,850.00	24,150.00
. APPLE COMPUTER INC		10/23/2012	12.00		12.00
8494.441 PROFESSIONALLY MA PORTFOLIOS	03/29/2010	10/26/2012	241,752.00	214,145.00	27,607.00
75000. GS BREN EEM 11/05/1	10/19/2011	11/07/2012	86,425.00	74,250.00	12,175.00
. CASH RECEIPT SECURITIES		12/12/2012	51.00		51.00
9610.104 HIGHBRIDGE DYNAMI COMMODITIES	11/12/2010	12/14/2012	139,923.00	175,000.00	-35,077.00

6b Total. Combine the amounts in column (f) Enter here and on Schedule D, line 6b 80,802.00

Schedule D-1 (Form 1041) 2012

JSA

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42 E



THE VAUGHN FOUNDATION ACCT. P65245006
For the Period 12/1/12 to 12/31/12

JPMorgan Chase Bank, N.A.
707 Travis Street, Floor 11, Houston, TX 77002

Fiduciary Account

J.P. Morgan Team			Table of Contents	Page
Kristina Hornberger	Banker	713/216-6932	Account Summary	2
Marcus Irvin	T & E Officer	713/216-4515	Holdings	
Kevin Biekert	T & E Administrator	713/216-6009	Equity	5
Rachel Dalton	Portfolio Manager	713/216-8191	Alternative Assets	10
Lisa Hooker	Client Service Team	888/262-6869	Cash & Fixed Income	13
Thurston Dean IV	Client Service Team		Specialty Assets	17
Jeff Gerber	Client Service Team		Portfolio Activity	18
Online access			www.jpmorganonline.com	

Please see disclosures located at the end of this statement package for important information relating to each J.P. Morgan account(s)



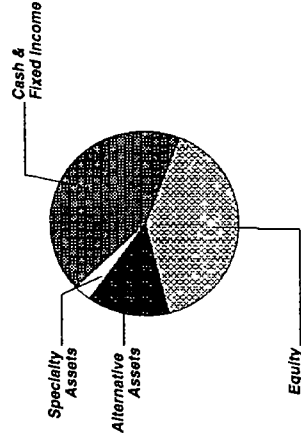
THE VAUGHN FOUNDATION ACCT. P65245006
For the Period 12/1/12 to 12/31/12

Account Summary

PRINCIPAL

Asset Allocation	Beginning Market Value	Ending Market Value	Change In Value	Estimated Annual Income	Current Allocation
Equity	3,145,609.91	3,148,687.78	3,077.87	32,435.37	40%
Alternative Assets	1,133,707.29	1,103,655.21	(30,052.08)	21,479.24	14%
Cash & Fixed Income	3,470,810.97	3,587,697.27	116,886.30	99,355.11	45%
Specialty Assets	1.00	1.00	0.00		1%
Market Value	\$7,750,129.17	\$7,840,041.26	\$89,912.09	\$153,269.72	100%

Asset Allocation



INCOME

Cash Position	Beginning Market Value	Ending Market Value	Change In Value
Cash Balance	1,167.72	27,007.44	25,839.72
Accruals	7,552.71	12,611.69	5,058.98
Market Value	\$8,720.43	\$39,619.13	\$30,898.70



THE VAUGHN FOUNDATION ACCT. P65245006
For the Period 12/1/12 to 12/31/12

Account Summary CONTINUED

	PRINCIPAL		INCOME	
Portfolio Activity	Current Period Value	Year-to-Date Value	Current Period Value	Year-to-Date Value
Beginning Market Value	7,750,129.17	7,458,029.07	1,167.72	48,617.85
Additions	69,372.80	132,990.65	582.17	582.17
Withdrawals & Fees	(2,039.47)	(332,110.09)	(7,039.48)	(171,078.01)
Net Additions/Withdrawals	\$67,333.33	(\$199,119.44)	(\$6,457.31)	(\$170,495.84)
Income	258.59	2,959.92	32,297.03	148,885.43
Change in Investment Value	22,320.17	578,171.71		
Ending Market Value	\$7,840,041.26	\$7,840,041.26	\$27,007.44	\$27,007.44
Accruals	--	--	12,611.69	12,611.69
Market Value with Accruals	--	--	\$39,619.13	\$39,619.13



THE VAUGHN FOUNDATION ACCT. P65245006
For the Period 12/1/12 to 12/31/12

Account Summary

CONTINUED

Tax Summary	Current Period Value	Year-to-Date Value
Domestic Dividends/Distributions	31,937.59	143,735.85
Interest Income	13.96	129.97
Original Issue Discount	258.59	2,959.92
Taxable Income	\$32,210.14	\$146,825.74

Tax-Exempt Income	345.48	5,019.61
Tax-Exempt Income	\$345.48	\$5,019.61

Cost Summary	Cost
Equity	2,782,460.65
Cash & Fixed Income	3,327,202.07
Total	\$6,109,662.72

	Current Period Value	Year-to-Date Value
LT Capital Gain Distributions	59,747.68	62,442.32
ST Realized Gain/Loss		8,395.00
LT Realized Gain/Loss	(35,026.37)	80,801.43
Realized Gain/Loss	\$24,721.31	\$151,638.75

	To-Date Value
Unrealized Gain/Loss	\$529,925.73

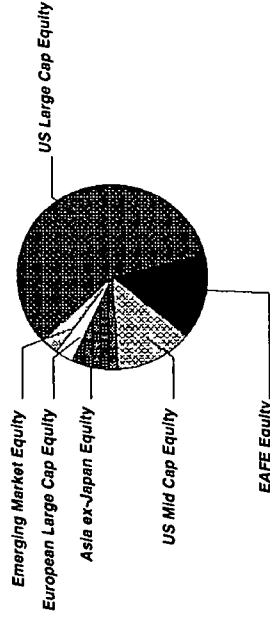


THE VAUGHN FOUNDATION ACCT. P65245006
For the Period 12/1/12 to 12/31/12

Equity Summary

Asset Categories	Beginning Market Value	Ending Market Value	Change In Value	Current Allocation
US Large Cap Equity	1,879,432.16	1,866,160.95	(13,271.21)	24%
US Mid Cap Equity	357,491.48	356,145.22	(1,346.26)	5%
EAFE Equity	499,590.19	506,724.25	7,134.06	6%
European Large Cap Equity	84,728.85	86,479.85	1,751.00	1%
Asia ex-Japan Equity	232,228.33	235,523.22	3,294.89	3%
Emerging Market Equity	92,138.90	97,654.29	5,515.39	1%
Total Value	\$3,145,609.91	\$3,148,687.78	\$3,077.87	40%

Market Value/Cost	Current Period Value
Market Value	3,148,687.78
Tax Cost	2,782,460.65
Unrealized Gain/Loss	366,227.13
Estimated Annual Income	32,435.37
Accrued Dividends	4,554.03
Yield	1.03%



Equity as a percentage of your portfolio - 40 %



THE VAUGHN FOUNDATION ACCT. P65245006
For the Period 12/1/12 to 12/31/12

Equity Detail

	Price	Quantity	Value	Adjusted Tax Cost Original Cost	Unrealized Gain/Loss	Est Annual Inc Accrued Div	Yield
US Large Cap Equity							
BBH FD INC							
TAX EFFIC EQ N	17 35	12,871.854	223,326.67	225,000 00	(1,673 33)	1,235 69	0.55%
05528X-60-4 BBTE X							
BNP BREN SPX 04/24/13							
10%BUFFER-2 XLEV- 5.25%CAP	104 28	140,000.000	145,994.21	138,600 00	7,394 21		
10.5%MAXRTRN							
INITIAL LEVEL-04/05/12 SPX 1398 08							
05567L-4P-9							
BNP CONT BUFF EQ SPX 06/19/13							
80% CONTIN BARRIER- 5%CPN	109 35	135,000.000	147,627.61	133,650.00	13,977 61		
15% CAP							
INITIAL LEVEL-06/01/12 SPX 1278 04							
05567L-5Q-6							
CULLEN HIGH DIVIDEND EQUITY FUND							
230001-40-6 CHDV X	13 89	18,367 347	255,122 45	225,000 00	30,122.45	6,153.06 674.08	2 41 %
FMI FDS INC							
LARGE CAP FD	17 10	14,140 626	241,804.70	160,920 32	80,884.38	2,771.56 1,036 18	1.15%
302933-20-5 FMIH X							
JPM LARGE CAP GROWTH FD - SEL							
FUND 3118	23 95	7,600 184	182,024.41	165,000 00	17,024.41	798 01 40 89	0.44%
4812C0-53-0 SEEG X							
JPM US LRGE CAP CORE PLUS FD - SEL							
FUND 1002	22 12	12,641 513	279,630 27	259,403 84	20,226 43	2,136 41	0 76%
4812A2-38-9 JLPS X							

J.P.Morgan



THE VAUGHN FOUNDATION ACCT. P65245006
For the Period 12/1/12 to 12/31/12

	Price	Quantity	Value	Adjusted Tax Cost Original Cost	Unrealized Gain/Loss	Est. Annual Inc. Accrued Div	Yield
US Large Cap Equity							
SPDR S&P 500 ETF TRUST 78462F-10-3 SPY	142.41	2,743,000	390,630.63	322,792.60	67,838.03	8,511.52 2,802.88	2.18%
Total US Large Cap Equity			\$1,866,160.95	\$1,630,366.76	\$235,794.19	\$21,606.25 \$4,554.03	1.16%
US Mid Cap Equity							
ISHARES CORE S&P MID-CAP ETF 464287-50-7 JH	101.70	1,701,000	172,991.70	151,420.02	21,571.68	2,468.15	1.43%
JANUS MID CAP VALUE FUND 471023-59-8 JMCV X	21.34	8,582,639	183,153.52	175,000.00	8,153.52	1,364.63	0.75%
Total US Mid Cap Equity			\$356,145.22	\$326,420.02	\$29,725.20	\$3,832.78	1.08%
EAFE Equity							
ARTISAN INTL VALUE FUND - INV 04314H-88-1 ARTK X	30.38	2,919,708	88,700.73	80,000.00	8,700.73		
CS BREN EAFE 03/13/13 10%BUFFER-2 XLEV- 9.8%CAP 19.6%MAXRTRN INITIAL LEVEL--02/24/12 SX5E.2523.69 UKX:5935 13 TPX 834.29 22546T-MT-5	104.10	85,000,000	88,485.00	84,150.00	4,335.00		



THE VAUGHN FOUNDATION ACCT P65245006
For the Period 12/1/12 to 12/31/12

	Price	Quantity	Value	Adjusted Tax Cost Original Cost	Unrealized Gain/Loss	Est. Annual Inc Accrued Div	Yield
EAFE Equity							
CS BREN EAFE 09/25/13	104.40	85,000,000	88,740.00	84,150.00	4,590.00		
10%BUFFER-2 XLEV- 10.25%CAP							
40%MAXRTRN							
INITIAL LEVEL-09/07/12.SX5E 2538.60							
UKX: 5794.80 TPX. 735.17							
22546T-YZ-8							
HSBC BREN EAFE 05/01/13	108.51	80,000,000	86,808.00	79,200.00	7,608.00		
10%BUFFER-2 XLEV- 9%CAP							
18%MAXRTRN							
INITIAL LEVEL-04/13/12 SX5E 2291.51							
UKX 5701.35 TPX 815.48							
4042K1-G3-1							
MFS INTL VALUE-I	28.17	5,466,472	153,990.52	150,000.00	3,990.52	2,809.76	1.82%
55273E-82-2 MINI X							
Total EAFE Equity			\$506,724.25	\$477,500.00	\$29,224.25	\$2,809.76	0.55%
European Large Cap Equity							
DB MARKET PLUS SX5E 03/19/14	101.74	85,000,000	86,479.85	83,937.50	2,542.35		
80% CONTIN BARRIER- 7.6%CPN							
UNCAPPED							
INITIAL LEVEL-09/14/12 SX5E 2594.56							
2515A1-LR-0							



THE VAUGHN FOUNDATION ACCT. P65245006
For the Period 12/1/12 to 12/31/12

	Price	Quantity	Value	Adjusted Tax Cost Original Cost	Unrealized Gain/Loss	Est Annual Inc Accrued Div	Yield
Asia ex-Japan Equity							
MATTHEWS PACIFIC TIGER INSTL FUND 577130-83-4 MIPT X	24.41	6,372.437	155,551.19	87,591.59	67,959.60	1,287.23	0.83%
T ROWE PRICE INTERNATIONAL FUNDS INC NEW ASIA FUND 77956H-50-0 PRAS X	16.81	4,757.408	79,972.03	78,354.52	1,617.51	761.18	0.95%
Total Asia ex-Japan Equity			\$235,523.22	\$165,946.11	\$69,577.11	\$2,048.41	0.87%
Emerging Market Equity							
VANGUARD MSCI EMERGING MARKETS ETF 922042-85-8 VWO	44.53	2,193.000	97,654.29	98,290.26	(635.97)	2,138.17	2.19%

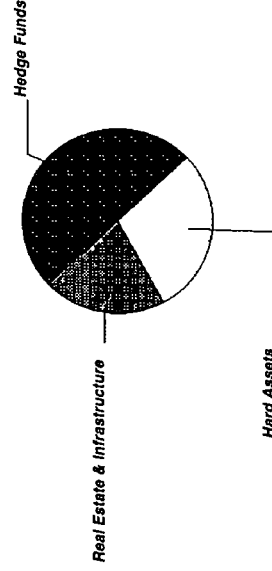


THE VAUGHN FOUNDATION ACCT. P65245006
For the Period 12/1/12 to 12/31/12

Alternative Assets Summary

Asset Categories	Beginning Estimated Value	Ending Estimated Value	Change In Value	Current Allocation
Hedge Funds	550,741.69	550,206.86	(534.83)	7%
Real Estate & Infrastructure	258,414.44	232,821.61	(25,592.83)	3%
Hard Assets	324,551.16	320,626.74	(3,924.42)	4%
Total Value	\$1,133,707.29	\$1,103,655.21	(\$30,052.08)	14%

Asset Categories



Alternative Assets as a percentage of your portfolio - 14 %

Alternative Assets Detail

	Price	Quantity	Estimated Value	Cost
Hedge Funds				
EATON VANCE MUT FDS TR GB MACRO ABSOLUTE RTN I 277923-72-8 EIGM X	9.83	21,655.438	212,872.96	225,000.00



THE VAUGHN FOUNDATION ACCT. P65245006
For the Period 12/1/12 to 12/31/12

	Price	Quantity	Estimated Value	Cost
Hedge Funds				
GATEWAY FUND - Y 367829-88.4 GTEV X	27.11	12,443 154	337,333 90	325,000 00
Total Hedge Funds			\$550,206.86	\$550,000.00

	Quantity/Original Commitment Amount	Cost/Net Capital Called Since Inception	Net Distributions Since Inception	Estimated Value	Est Annual Inc. Accrued Div	Yield
Real Estate & Infrastructure						
JPM US REAL ESTATE FD - SEL FUND 3037 4812C0-61-3 SUIE X	14,624 47	352,451 81		232,821 61	5,645 04	2 42 %

Amounts shown above under "Estimated Value" for private equity funds are estimates based on the latest fund values received from each underlying fund, which value may be as of a date (underlying fund value date) prior to the period covered by this statement. The values provided by the underlying fund have been adjusted for any cash flows between your account and such fund that have occurred subsequent to the underlying fund value date to derive the "Estimated Value". Therefore, such "Estimated Value" may not reflect the value of your interest shown on any fund's actual books and records as of the date of this statement. For additional information, please contact your J.P. Morgan representative.

For private equity funds, Estimated Values are based on estimates provided by the underlying funds that are generally presented on a US GAAP basis, which records investments at fair value, or "marked-to-market". Most of these underlying funds also present their audited financial statements on a US GAAP basis (i.e., "marked-to-market"). However, some of these underlying funds present their audited financial statements using the Income Tax Basis of Accounting, which records investments "at cost" based on the accrual basis of accounting for Federal income taxes. Where the underlying fund provides periodic estimates on a "marked-to-market" basis but reflects investments "at cost" in its audited financial statements, the marked-to-market Estimated Value shown herein for a private equity fund may be materially different from the value reflected on such fund's audited financial statements (which are also based on the audited financial statements of the underlying fund).



THE VAUGHN FOUNDATION ACCT. P65245006
For the Period 12/1/12 to 12/31/12

	Price	Quantity	Estimated Value	Cost
Hard Assets				
BARC BREN COMMODITY BSKT 12/19/13 LKD TO CO1 PLTMLNPM LOCADY & SPGCGRP 2 02%LEV, 20%BUFFER, 30 30%MAXRTN 12/16/11 06738K-D6-5	115.72	80,000,000	92,576.00	78,800.00
PIMCO COMMODITIES PLUS STRATEGY P 72201P-16-7 PCLP X	10.89	12,891,344	140,386.74	140,000.00
UBS PALLADIUM CBEN 04/25/13 LNKD TO PLDMLNPM 80% BARRIER, 8 % CPN, 17% CAP 04/13/12, INITIAL STRIKE 643.00 90261J-JU-8	109.58	80,000,000	87,664.00	79,200.00
Total Hard Assets			\$320,626.74	\$298,000.00

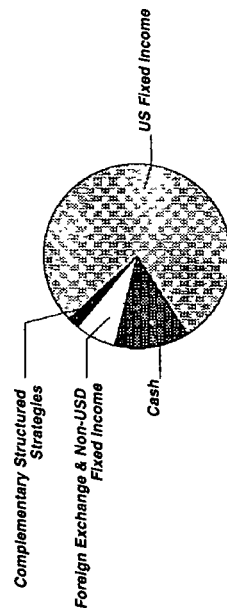


THE VAUGHN FOUNDATION ACCT. P65245006
For the Period 12/1/12 to 12/31/12

Cash & Fixed Income Summary

Asset Categories	Beginning Market Value	Ending Market Value	Change In Value	Current Allocation
Cash	334,993.65	462,048.29	127,054.64	6%
US Fixed Income	2,766,219.01	2,753,999.15	(12,219.86)	35%
Complementary Structured Strategies	111,784.00	111,928.50	144.50	1%
Foreign Exchange & Non-USD Fixed Income	257,814.31	259,721.33	1,907.02	3%
Total Value	\$3,470,810.97	\$3,587,697.27	\$116,886.30	45%

Market Value/Cost	Current Period Value
Market Value	3,587,697.27
Tax Cost	3,327,202.07
Unrealized Gain/Loss	260,495.20
Estimated Annual Income	99,355.11
Accrued Interest	7,345.96
Yield	2.76%



Cash & Fixed Income as a percentage of your portfolio - 45 %

SUMMARY BY MATURITY

Cash & Fixed Income	Market Value	% of Bond Portfolio
0-6 months ¹	3,475,768.77	97%
6-12 months ¹	111,928.50	3%
Total Value	\$3,587,697.27	100%

¹ The years indicate the number of years until the bond is scheduled to mature based on the statement end date. Some bonds may be called, or paid in full, before their stated maturity.

SUMMARY BY TYPE

Cash & Fixed Income	Market Value	% of Bond Portfolio
Cash	462,048.29	12%
International Bonds	558,220.85	15%
Mutual Funds	2,242,318.62	65%
Complementary Structure	111,928.50	3%
Other	213,181.01	5%
Total Value	\$3,587,697.27	100%



THE VAUGHN FOUNDATION ACCT. P65245006
For the Period 12/1/12 to 12/31/12

Note: O - Bonds purchased at a discount show accretion

¹ This is the Annual Percentage Yield (APY) which is the rate earned if balances remain on deposit for a full year with compounding, there is no change in the interest rate and all interest is left in the account

Cash & Fixed Income Detail

	Price	Quantity	Value	Adjusted Tax Cost Original Cost	Unrealized Gain/Loss	Est Annual Income Accrued Interest	Yield
Cash							
US DOLLAR PRINCIPAL	1 00	462,048 29	462,048 29	462,048.29		138 61	0 03 % ¹
US Fixed Income							
HARBOR HIGH YIELD BOND FUND - INS 411511-55-3	11.11	18,814.68	209,031.04	200,000 00	9,031 04	12,248 35	5 86 %
JPM STR INC OPP FD FUND 3844 4812A4-35-1	11.83	32,746 98	387,396 80	375,280 41	12,116 39	13,688.23 1,342.63	3 53 %
EATON VANCE FLOATING RATE I 277911-49-1	9 12	17,103 76	155,986 32	150,000 00	5,986 32	6,927 02 571.63	4 44 %
JPM CORE BOND FD - SEL FUND 3720 4812C0-38-1	12 06	137,443.93	1,657,573 77	1,492,006.73	165,567 04	48,517.70 4,260 76	2 93 %
JPM HIGH YIELD FD - SEL FUND 3580 4812C0-80-3	8 14	16,072 51	130,830 21	95,631 42	35,198.79	8,373 77 835 77	6 40 %



THE VAUGHN FOUNDATION ACCT. P65245006
For the Period 12/1/12 to 12/31/12

	Price	Quantity	Value	Adjusted Tax Cost Original Cost	Unrealized Gain/Loss	Est. Annual Income Accrued Interest	Yield
US Fixed Income							
JPM TRI TAX AWARE REAL RTRN FD -SEL FUND 992 4812A2-54-6	10.49	20,322.31	213,181.01	199,297.35	13,883.66	5,019.61 325.16	2.35%
Total US Fixed Income			\$2,753,999.15	\$2,512,215.91	\$241,783.24	\$94,774.68 \$7,335.95	3.44%
Complementary Structured Strategies							
O BARC 93% PPN CURRENCY BASKET 9/13/13 LINKED TO 3 CURRENCY BSKTS 50% 35% & 15% WEIGHT, UNCAPPED 9/9/11 06738K-UP-4	95.77	60,000.00	57,462.00	60,844.11 59,100.00	(3,382.11)		
O BARC 95% PP CMIT BASKET 11/21/13 LINKED TO CNY MXN IDR & TRY 216% UPSIDE LEV, UNCAPPED 11/18/11 06738K-ZM-6	99.03	55,000.00	54,466.50	55,955.07 54,175.00	(1,488.57)		
Total Complementary Structured Strategies			\$111,928.50	\$116,799.18 \$113,275.00	(\$4,870.68)	\$0.00	0.00%
Foreign Exchange & Non-USD Fixed Income							
JPM INTL CURRENCY INCOME FD 4812A3-29-6	11.27	7,887.96	88,897.28	86,138.69	2,758.59	2,058.75	2.32%



THE VAUGHN FOUNDATION ACCT P65245006
For the Period 12/1/12 to 12/31/12

	Price	Quantity	Value	Adjusted Tax Cost Original Cost	Unrealized Gain/Loss	Est Annual Income Accrued Interest	Yield
Foreign Exchange & Non-USD Fixed Income							
DREYFUS LAUREL EMG MKT DEBT LOC C-1 261980-49-4	15 34	11,135 86	170,824 05	150,000 00	20,824 05	2,383 07	1 40 %
Total Foreign Exchange & Non-USD Fixed Income			\$259,721.33	\$236,138.69	\$23,582.64	\$4,441.82	1.71 %



THE VAUGHN FOUNDATION ACCT. P65245006
For the Period 12/1/12 to 12/31/12

Specialty Assets Summary

Asset Categories	Beginning Estimated Value	Ending Estimated Value	Change In Value	Current Allocation
Oil & Gas	1 00	1 00	0 00	1%

Specialty Assets Detail

	Estimated Value Estimated Cost	Gross Income	Production Tax	Expenses	Net Income	Depletion	Net Income After Depletion
Oil & Gas							
VARIOUS RI, VARIOUS SURVEYS	1 00						
YOUNG COUNTY, TEXAS	1.00						
ROYALTY INTEREST							
Bearer							
997547-89-6							

J.P.Morgan



THE VAUGHN FOUNDATION ACCT. P65245006
For the Period 12/1/12 to 12/31/12

Portfolio Activity Summary

	PRINCIPAL		INCOME	
Transactions	Current Period Value	Year-To-Date Value*	Current Period Value	Year-To-Date Value*
Beginning Cash Balance	334,993.65	--	1,167.72	--
INFLOWS				
Income			32,297.03	148,885.43
Contributions	69,372.80	132,990.65	582.17	582.17
Total Inflows	\$69,372.80	\$132,990.65	\$32,879.20	\$149,467.60
OUTFLOWS **				
Withdrawals		(305,500.00)	(5,000.00)	(145,617.85)
Fees & Commissions	(2,039.47)	(25,310.09)	(2,039.48)	(25,310.16)
Tax Payments		(1,300.00)		(150.00)
Total Outflows	(\$2,039.47)	(\$332,110.09)	(\$7,039.48)	(\$171,078.01)
TRADE ACTIVITY				
Settled Sales/Maturities/Redemptions	199,721.31	2,199,591.08		
Settled Securities Purchased	(140,000.00)	(1,695,767.52)		
Total Trade Activity	\$59,721.31	\$503,823.56	\$0.00	\$0.00
Ending Cash Balance	\$462,048.29	--	\$27,007.44	--

Cost Adjustments	Current Period Value	Year-To-Date Value*
Accretion	258.59	2,959.92
Total Cost Adjustments	\$258.59	\$2,959.92

J.P.Morgan