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Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2012

Open to Public Inspection

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

Name of foundation: DAVID & KATHERINE LAWRENCE FOUNDATION

A Employer identification number: 84-6021554

Number and street (or P O box number if mail is not delivered to street address): 7600 EAST ARAPAHOE RD — Room/suite: 215

B Telephone number (see instructions): 303/488-9666

City or town, state, and ZIP code: ENGLEWOOD, CO 80112-1262

C If exemption application is pending, check here ▶ ☐

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

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

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

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

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ $ 778,696

J Accounting method: ☑ Cash ☐ Accrual ☐ Other (specify) STMT 1
(Part I, column (d) must be on cash basis.)

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

Part I Analysis of Revenue and Expenses *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)*

	Line	Description	(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 STMT 2	179,000			
	2	Check ▶ ☐ if the foundation is not required to attach Sch. B				
	3	Interest STMT 3	12	12	Non-Operating	
	4	Dividends and interest from securities STMT 4	20,914	20,236	Private Fdn.--	
	5a	Gross rents	--	--	Col. (c) Not	
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	--			
	b	Gross sales price for all assets on line 6a				
	7	Capital gain net income (from Part IV, line 2)		--		
	8	Net short-term capital gain			Required	
	9	Income modifications			Because	
	10a	Gross sales less returns and allowances				
	b	Less: Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)			No Income from	
	11	Other income (attach schedule) 4797 + STMT 5	64,443	33,575	Charitable	
	12	**Total.** Add lines 1 through 11	264,369	53,823	Activity	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc.	--	--	N/A	--
	14	Other employee salaries and wages	--	--	N/A	--
	15	Pension plans, employee benefits	--	--	N/A	--
	16a	Legal fees (attach schedule)	--	--	N/A	--
	b	Accounting fees (attach schedule) STMT 6	2,963	2,222	N/A	741
	c	Other professional fees (attach schedule)	--	--	N/A	--
	17	Interest	--	--	N/A	--
	18	Taxes (attach schedule) (see instructions) STMT 7	2,002	1,501	N/A	--
	19	Depreciation (attach schedule) and depletion	--	--	N/A	
	20	Occupancy	--	--	N/A	--
	21	Travel, conferences, and meetings	--	--	N/A	--
	22	Printing and publications	--	--	N/A	--
	23	Other expenses (attach schedule) STMT 8	20	20	N/A	--
	24	**Total operating and administrative expenses.** Add lines 13 through 23	4,988	3,743	N/A	--
	25	Contributions, gifts, grants paid STMT 9	35,500			35,500
	26	**Total expenses and disbursements.** Add lines 24 and 25	40,488	3,743	N/A	36,241
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	223,881			
	b	**Net investment income** (if negative, enter -0-)		50,080		
	c	**Adjusted net income** (if negative, enter -0-)			N/A	

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Part II	Balance Sheets — Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions)	Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets 1	Cash—non-interest-bearing STMT.10	1,255	1,074	1,074
2	Savings and temporary cash investments . . . STMT.11	48,471	197,136	197,136
3	Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶	--	--	--
4	Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶	--	--	--
5	Grants receivable	--	--	--
6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions) . .	--	--	--
7	Other notes and loans receivable (attach schedule) ▶			
	Less: allowance for doubtful accounts ▶	--	--	--
8	Inventories for sale or use	--	--	--
9	Prepaid expenses and deferred charges	--	--	--
10a	Investments—U.S. and state government obligations (attach schedule)	--	--	--
b	Investments—corporate stock (attach schedule) . STMT.12	312,962	434,051	434,051
c	Investments—corporate bonds (attach schedule) STMT.13	76,813	24,840	24,840
11	Investments—land, buildings, and equipment. basis ▶			
	Less: accumulated depreciation (attach schedule) ▶	--	--	--
12	Investments—mortgage loans	--	--	--
13	Investments—other (attach schedule) STMT.14	69,495	43,220	121,595
14	Land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation (attach schedule) ▶	--	--	--
15	Other assets (describe ▶ STMT 15)	2,957	4,429	4,429
16	**Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I)	511,953	704,750	778,696
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 ▶ STMT 16)	590	501	
23	**Total liabilities** (add lines 17 through 22)	590	501	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here . . ▶ ☑ and complete lines 24 through 26 and lines 30 and 31.**			
24	Unrestricted	511,363	704,249	
25	Temporarily restricted	--	--	
26	Permanently restricted	--	--	
	Foundations that do not follow SFAS 117, check here ▶ ☐ and complete lines 27 through 31.			
27	Capital stock, trust principal, or current funds	--	--	
28	Paid-in or capital surplus, or land, bldg., and equipment fund	--	--	
29	Retained earnings, accumulated income, endowment, or other funds	--	--	
30	**Total net assets or fund balances** (see instructions) . . .	511,363	704,249	
31	**Total liabilities and net assets/fund balances** (see instructions)	511,953	704,750	

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	511,363
2	Enter amount from Part I, line 27a	2	223,881
3	Other increases not included in line 2 (itemize) ▶	3	--
4	Add lines 1, 2, and 3	4	735,244
5	Decreases not included in line 2 (itemize) ▶ STMT 18	5	30,995
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 . .	6	704,249

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	Conoco--matured 10/15/12	P	06/01/04	10/15/12
c	Ferrellgas Partners--sold	P	03/07/06	01/23/12
d	Note: $13,449 ord. Sec. 751 gain from sale of Ferrellgas			
e	is rptd. Stmt 18--that amount is missing from Line 1(h), Col. (c) below			

	(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	50,000		49,105	895
c	17,510		23,031	-5,521
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				
b				895
c				-5,521
d				
e				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	-4,626
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8	3	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☑ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2011	21,321	444,628	4.80%
2010	16,717	400,487	4.17%
2009	18,073	359,397	5.03%
2008	21,210	394,785	5.37%
2007	19,317	409,886	4.71%

2	**Total** of line 1, column (d)	2	24.08%
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	4.82%
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	670,997
5	Multiply line 4 by line 3	5	32,342
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	501
7	Add lines 5 and 6	7	32,843
8	Enter qualifying distributions from Part XII, line 4	8	36,241

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter. ________ **(attach copy of letter if necessary—see instructions)**		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b	1	501
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	501
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-	5	501
6	Credits/Payments:		
a	2012 estimated tax payments and 2011 overpayment credited to 2012 — 6a		
b	Exempt foreign organizations—tax withheld at source — 6b		
c	Tax paid with application for extension of time to file (Form 8868) — 6c: 490		
d	Backup withholding erroneously withheld — 6d		
7	Total credits and payments. Add lines 6a through 6d	7	490
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	11
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	
11	Enter the amount of line 10 to be: **Credited to 2013 estimated tax** ▶ **Refunded** ▶	11	

Part VII-A **Statements Regarding Activities**

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		✓
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	1b		✓
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		✓
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ 0 **(2)** On foundation managers. ▶ $ 0			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		✓
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		✓
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		✓
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		✓
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		✓
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	✓	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV*	7	✓	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ COLORADO			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	✓	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		✓
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10	✓	

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

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		✓
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	✓	
	Website address ▶ N/A			
14	The books are in care of ▶ DAVID F. LAWRENCE, JR. Telephone no. ▶ 303/488-9666 Located at ▶ 7600 E. ARAPAHOE RD. #215, ENGLEWOOD, CO ZIP+4 ▶ 80112-1262			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041**—Check here ▶ ☐ and enter the amount of tax-exempt interest received or accrued during the year ▶ 15			
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		✓
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶ N/A			

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

			Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
1a	During the year did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☑ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☑ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☑ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☑ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☑ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☑ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?	1c		✓
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):			
a	At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? ☐ Yes ☑ No If "Yes," list the years ▶ 20____ , 20____ , 20____ , 20____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions.)	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ 20____ , 20____ , 20____ , 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☑ No			
b	If "Yes," did it have excess business holdings in 2012 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969; **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012.)*	3b		✓
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		✓
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	4b		✓

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

			Yes	No
5a	During the year did the foundation pay or incur any amount to:			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☑ No			
	(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☑ No			
	(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☑ No			
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☑ No			
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☑ No			
b	If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?	5b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No			
	If "Yes," attach the statement required by Regulations section 53.4945–5(d).			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☑ No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	6b		✓
	If "Yes" to 6b, file Form 8870.			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☑ No			
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	7b		

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Katherine W. Lawrence, 7600 E. Arapahoe Rd. #215 Englewood, CO 80112	President/Trustee Part time	0	0	0
Sara A. Grey, 7600 E. Arapahoe Rd. #215 Englewood, CO 80112	Vice Pres./Trustee Part time	0	0	0
David F. Lawrence, Jr., 7600 E. Arapahoe Rd. #215 Englewood, CO 80112	Treasurer/Trustee Part time	0	0	0
Lori T. Lawrence, 7600 E. Arapahoe Rd. #215 Englewood, CO 80112	Secretary Part time	0	0	0

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

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

Total number of other employees paid over $50,000 ▶ 0

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 PAID OVER $50,000		
Total number of others receiving over $50,000 for professional services ▶		0

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 FOUNDATION DOES NOT CONDUCT DIRECT CHARITABLE ACTIVITIES	
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 NO PROGRAM-RELATED INVESTMENTS WERE MADE DURING THE YEAR	
2	
All other program-related investments. See instructions	
3	
Total. Add lines 1 through 3 ▶	0

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	439,935
b	Average of monthly cash balances	1b	115,516
c	Fair market value of all other assets (see instructions) STMT 17	1c	125,764
d	**Total** (add lines 1a, b, and c)	1d	681,215
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation). 1e --		
2	Acquisition indebtedness applicable to line 1 assets	2	--
3	Subtract line 2 from line 1d	3	681,215
4	Cash deemed held for charitable activities. Enter 1 ½ % of line 3 (for greater amount, see instructions)	4	10,218
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	670,997
6	**Minimum investment return.** Enter 5% of line 5	6	33,550

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	33,550
2a	Tax on investment income for 2012 from Part VI, line 5	2a	501		
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b	--		
c	Add lines 2a and 2b			2c	501
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	33,049
4	Recoveries of amounts treated as qualifying distributions			4	--
5	Add lines 3 and 4			5	33,049
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	33,049

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	36,241
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	36,241
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	501
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	35,740

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				33,049
2	Undistributed income, if any, as of the end of 2012:				
a	Enter amount for 2011 only			2,499	
b	Total for prior years: 20___,20___,20___		0		
3	Excess distributions carryover, if any, to 2012:				
a	From 2007 . . . 0				
b	From 2008 . . . 0				
c	From 2009 . . . 0				
d	From 2010 . . . 0				
e	From 2011 . . . 0				
f	**Total** of lines 3a through e	0			
4	Qualifying distributions for 2012 from Part XII, line 4. ▶ $ 36,241				
a	Applied to 2011, but not more than line 2a			2,499	
b	Applied to undistributed income of prior years (Election required—see instructions)		0		
c	Treated as distributions out of corpus (Election required—see instructions)	0			
d	Applied to 2012 distributable amount				33,049
e	Remaining amount distributed out of corpus	693			
5	Excess distributions carryover applied to 2012 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	0			0
6	**Enter the net total of each column as indicated below:**				
a	Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	693			
b	Prior years' undistributed income. Subtract line 4b from line 2b		0		
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0		
d	Subtract line 6c from line 6b Taxable amount—see instructions		0		
e	Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount—see instructions			0	
f	Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				0
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0			
8	Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)	0			
9	**Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a	693			
10	Analysis of line 9:				
a	Excess from 2008 . . . 0				
b	Excess from 2009 . . . 0				
c	Excess from 2010 . . . 0				
d	Excess from 2011 . . . 0				
e	Excess from 2012 . . . 693				

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

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

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

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

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

1 **Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000). (See section 507(d)(2).)

DAVID F. LAWRENCE, SR. (DIED 1991) AND KATHERINE W. LAWRENCE (CURRENT PRESIDENT/TRUSTEE)

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

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

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

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed:

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
STATEMENT 9 ATTACHED				35,500
Total . . . . ▶ 3a				35,500
b *Approved for future payment*				
NONE				
Total . . . . ▶ 3b				0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	Related or exempt function income (See instructions.)
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	STMT 3		14	12	
4 Dividends and interest from securities	STMT 4		14	20,914	
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	STMT 5		15,16	64,443	
8 Gain or (loss) from sales of assets other than inventory					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue: a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)				85,369	

13 **Total.** Add line 12, columns (b), (d), and (e) 13 85,369

(See worksheet in line 13 instructions to verify calculations.)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). (See instructions.)
	ALL ACTIVITIES WERE INVESTMENTS THAT PRODUCED INVESTMENT REVENUES FOR THE FOUNDATION
	THE REVENUES WERE THE SOURCE OF CHARITABLE DISTRIBUTIONS.

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

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

d If the answer to any of the above is "Yes," complete the following schedule. Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		NOT APPLICABLE	

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

David Lawrence 10/3/13 TREASURER

Signature of officer or trustee Date Title

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

Paid Preparer Use Only				
Print/Type preparer's name: CONNIE R. BOYER, CPA	Preparer's signature: Connie R. Boyer	Date: 10/4/2013	Check ☑ if self-employed	PTIN: P01700274
Firm's name ▶ CONNIE R. BOYER, CPA			Firm's EIN ▶ 84-1232892	
Firm's address ▶ 2860 SIXTH STREET, BOULDER, CO 80304-3010			Phone no. 303/442-0142	

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ **Attach to Form 990, Form 990-EZ, or Form 990-PF.**

OMB No 1545-0047

2012

Name of the organization	**Employer identification number**
DAVID & KATHERINE LAWRENCE FOUNDATION	84-6021554

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	Employer identification number
DAVID & KATHERINE LAWRENCE FOUNDATION	84-6021554

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
	KATHERINE W. LAWRENCE 7600 E. ARAPAHOE RD. #215 ENGLEWOOD, CO 80112	$ 175,000	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

Form **8868**

(Rev. January 2013)

Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

OMB No 1545-1709

• If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box . . . . ▶ ☐

• If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (*e-file*). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits.*

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only . . . . ▶ ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Enter filer's identifying number, see instructions

Type or print	Name of exempt organization or other filer, see instructions. DAVID & KATHERINE LAWRENCE FOUNDATION	Employer identification number (EIN) or 84-6021554
File by the due date for filing your return See instructions	Number, street, and room or suite no. If a P.O box, see instructions 7600 EAST ARAPAHOE RD	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. ENGLEWOOD, CO 80112-1262	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 4

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

• The books are in the care of ▶ DAVID F. LAWRENCE, JR. - TREASURER

Telephone No. ▶ 303/488-9666 FAX No. ▶ 303/488-9664

• If the organization does not have an office or place of business in the United States, check this box . . . . ▶☐

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ______ . If this is for the whole group, check this box . . . ▶ ☐ . If it is for part of the group, check this box . . . . . ▶ ☐ and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until AUGUST 15 , 20 13 , to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ ☑ calendar year 20 12 or

▶ ☐ tax year beginning ______, 20___, and ending ______, 20___.

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2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	$ 490
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$ 0
c	**Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	$ 490

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

DAVID AND KATHERINE LAWRENCE FOUNDATION
84-6021554
2012 FORM 990-PF

STATEMENT 1
ACCOUNTING METHOD

The Foundation's financial accounting records are maintained on an accrual basis Therefore, all book values reported are those which reflect accrual basis For purposes of the excise tax on net investment income, however, cash basis is used because (1) IRS consent to a change in accounting method has not been obtained, and (2) cash basis is required, in any event, when accounting for disbursements for charitable purposes [Part I, Col (d)].

DAVID AND KATHERINE LAWRENCE FOUNDATION
84-6021554
2012 FORM 990-PF

STATEMENT 2
UNRESTRICTED GAIN FROM CONTRIBUTIONS

Unrestricted cash contributions received from donors	$179,000 **TO 990-PF PART I, LINE 1, COL. (a)**

DAVID AND KATHERINE LAWRENCE FOUNDATION
84-6021554
2012 FORM 990-PF

STATEMENT 3
INTEREST AND DIVIDENDS ON TEMPORARY CASH INVESTMENTS & UNINVESTED CASH CALCULATED ON BOTH ACCRUAL AND CASH BASES

	(a) Amount Accrued, Unrealized 12/31/11	(b) Amount Accrued, Unrealized 12/31/12	(c) 2012 Book Income
U S Government MMF RBC Reserve Class	$ 0	$ 0	$ 12
	$ 0	$ 0	$ 12 TO 990-PF PART I LINE 3(a)-- INCOME PER BOOKS (ACCRUAL BASIS)
Net change to book income if cash basis had been used = Col (a) - Col (b)			0
			$ 12 TO 990-PF PART I LINE 3b & PART XVI-A, LINE 3-- INCOME (CASH BASIS)

DAVID AND KATHERINE LAWRENCE FOUNDATION
84-6021554
2012 FORM 990-PF

STATEMENT 4
DIVIDENDS AND INTEREST FROM SECURITIES OTHER THAN TEMPORARY CASH INVESTMENT ASSETS CALCULATED ON BOTH ACCRUAL AND CASH BASES

Procedural note The Foundation's investments include some ADRs for equity securities, for which foreign taxes are withheld when dividends are paid Rather than report the gross amounts of such dividends, and then separately report the withheld amounts as taxes paid, only the net amounts are reported for the dividends and no tax payments are separately reported as Foundation expenses

	(a) Amount Accrued, Unrealized 12/31/11	(b) Amount Accrued, Unrealized 12/31/12	2012 Income Accrued for Year	Totals
Ordinary income and STCG dividends				
BlackRock (BTZ)	$ 157	$ 157	$ 1,958	
Bristol-Myers Squibb (BMY)	0	0	1,088	
CommonWealth REIT (CWH)	0	0	875	
First Trust Strategic High Income Fund II (FHY)	0	0	3,130	
Franklin Templeton Ltd Duration Income Tr. (FTF)	156	126	1,506	
GlaxoSmithKline (GSK)	109	116	495	
Invesco Dynamics Fund—Investor (FIDYX)	0	0	904	
Lexington Realty Trust (LXP)	140	168	618	
Novartis ADR (NVS)	0	0	0	
Total S A ADR (TOT)	0	389	1,113	
Virtus Total Return Fund (DCA)	0	250	250	
Vodafone Group PLC Sponsored ADR (VOD)	0	518	1,529	
Wells Fargo & Co 7 5% Non-Cum Perpetual Cl A Pfd Ser L (WFC PRL)	0	0	1,875	
White River Capital (RVR)	0	0	0	
Xcel Energy (XEL)	443	460	1,824	
				$ 17,165
Interest from corporate debt investments				
$25,000 Capital One Capital II Enhanced TruPS (COFPRB) Note For this hybrid security, cash payments rec'd are treated as dividend revenue for financial rptg. purposes and as interest revenue for tax purposes No revenues beyond cash receipts are recognized as accrued income.	0	0	1,875	
$50,000 ConocoPhillips 4.75% nt 10/15/12 (20825CAE4)--mat Oct. 2012	501	0	1,874	
TOTAL ACCRUAL ADJUSTMENT AMOUNTS	$ 1,506	$ 2,184		
				3,749
TOTAL BOOK INCOME (ACCRUAL BASIS) TO 990-PF, PART 1, LINE 4(a)				$ 20,914
ADJUST TOTAL BOOK INCOME Net accruals to modify to cash basis Col. (a) - Col (b)				(678)
TOTAL CASH-BASIS INCOME TO 990-PF, PART 1, LINE 4(b)				$ 20,236

DAVID AND KATHERINE LAWRENCE FOUNDATION
84-6021554
2012 FORM 990-PF

STATEMENT 5
INCOME FROM ROYALTIES, PARTNERSHIPS & UNREALIZED HOLDING GAINS
(Page 1 of 2)

COMPONENTS OF "OTHER INCOME"

	NET OF TAXES			
A. Royalty income (net of production taxes)	Cash Basis 2011 Income	Year-End 12/31/11 Accruals	Cash Basis 2012 Income	Year-End 12/31/12 Accruals
OXY USA	$ 14,223	$ 1,269	$ 13,948	$ 2,089
Kimbell Oil	960	183	1,027	157
Total financial acctg. income from royalty income (see next page for adjustments to tax values)	$ 15,183	$ 1,452	$ 14,975	$ 2,246

B. Partnership income

Notes: (a) Although income via these investments may be from unrelated businesses defined in the strictest sense, most of it is excluded from UBTI treatment by its nature, and there is not sufficient income, due to the $1,000 filing exemption of Tr Reg 1 6012-2(e) to require a separate 990-T return Therefore, partnership income is reported only on this 990-PF

(b) Income or loss from these partnership investments is of a passive nature to a limited partner A not-for-profit entity is not, however, included among those taxable entities which are subject to the passive-loss limitation rules [Tr Reg § 1 469-1T(b)], therefore, the whole of any loss is deducted The provisions of Treasury Reg § 1 469-5T(e) apply to limited partners, but only when a limited partner is subject to the overall rules, which is not the case for a not-for-profit foundation

(c) Section 1231 gains/(losses) are treated as LTCG or LTCL if the gains total more than the losses If §1231 gains equal or are less than § 1231 losses, however, then all § 1231 gains and losses are treated as ordinary gains and losses no matter how long the investment has been held

(d) Foreign tax credits are not allowed to be claimed against any but I R C Chapter 1 taxes The Foundation pays only an excise tax, which is charged under Chapter 42 of the I R C Therefore no foreign tax credit may be claimed

Ivy Properties, LLLP. . . .. $ 4,041

The *financial accounting* value for this investment's *income/(loss)* is here scheduled (at far right of the line above) at the value of cash withdrawals received (considered nonliquidating distributions from partnership income), in contrast with the amounts listed below which are included for tax purposes on Part I, Line 11(b), of this 990-PF

Interest	$ 3
Net rental passive income/(loss)	4,302
Overall net tax value	$ 4,305
Distributions received	(4,041)
Difference [tax value > distributions rec'd]	$ 264

Ferrellgas Partners, L.P. (a PTP--cannot be aggregated with other limited partnerships)--SOLD 1/23/2012....... 0

The *financial accounting* value for this investment's *income/(loss)* is scheduled (at far right of the line above) at the value of cash withdrawals received (considered nonliquidating distributions from partnership income), The Foundation sold all of its holding of this asset on 1/18/12, so early in the year that no distribution was received from this partnerhsip in 2012 prior to the sale

Small amounts of deductions which might otherwise be listed on Part I, Lines 23 & 25, are included in the single tax value reported Part I, Line 11(b), of this return for the sake of simplicity (the tax effect is the same)

Ord business income	$ 4
Net income, passive rentals	22
Other loss	(3)
Net tax value--Pts I & IV of 990-PF	$ 23
Distributions received	0
Difference [tax value > distributions rec'd]	$ 23

SandRidge Mississippian Trust I, LP (a PTP--cannot be aggregated with other limited partnerships)........ 1,494

The *financial accounting* value for this investment's *income/(loss)* is scheduled (at far right of the line above) at the value of cash withdrawals received (considered nonliquidating distributions from partnership income,in contrast with the amounts listed below which are included for *tax* purposes on Part I, Line 11(b), of this return, in contrast with the amounts listed below which are included for *tax* purposes on Part I, Lines 23 & 25, of this return

Small amounts of deductions which might otherwise be listed on Part I, Lines 23 & 25, are included in the single tax value reported Part I, Line 11(b), of this return for the sake of simplicity (the tax effect is the same)

Portfolio interest income	$ 244
Royalties	658
Other income	61
Royalty income deduction	(59)
Portfolio deduction	(21)
Taxable income	883
Distributions rec'd	(1,494)
Difference [tax value < distributions]	$ (611)

Total financial acctg. income from partnership investments (see next page for adjustments to tax values) $ 5,535

STATEMENT 5 (CONTINUED)
INCOME FROM ROYALTIES, PARTNERSHIPS & UNREALIZED HOLDING GAINS
(Page 2 of 2)

C. Unrealized holding gains/(losses) on all fair-valued investments [realized gains/(losses) are included 990-PF, Part IV]:
[This section reports 2012 holding gains/(losses), which are recognized for book income, but adjusted for cash-basis (taxable) income]

SOURCE	
Equity securities	$ 23,720
Bonds/Notes	2,388
Ltd partnerships (fair-valued)	3,642
Portfolios' 2012 holding gains/(losses) total for financial accounting (for tax treatment see below)	$ 29,750

SUMMARY AND TAX TREATMENT OF COMPONENTS

Royalty income--accrued book value (from above, Component A)	$ 15,769
Partnership income--accrued book value (from above, Component B)	5,535
Unrealized holding gains/(losses)--from above, Component C	29,750
BOOK VALUE (ACCRUAL BASIS) OF "OTHER INCOME" TO 990-PF, PART I, LINE 11(a)	**$ 51,054**

ADJUST TOTAL BOOK VALUE TO DETERMINE TAXABLE AMOUNTS (CASH BASIS):

Adjust royalty income for change in year-end accruals	$ (794)
Adj for differences in partnership income from book value to tax value	
Ivy Properties, LLLP	264
Ferrellgas Partners, LP	23
SandRidge Mississippian Trust I, LP	(611)
Unrealized holding gains/(losses) on all fair-valued investments--remove gain/(losses) not tax significant	(29,750)
Total adjustments	$ (30,868)

"OTHER INCOME" ADJUSTED TO CASH BASIS AND CARRIED TO PARTS I AND/OR IV OF 990-PF:

CARRY TO 990-PF, PART I, LINE 11(b)	**$ 20,186**

STATEMENT 6
ACCOUNTING FEES AND COST REIMBURSEMENTS

Prodedural note Total amounts paid from year to year for accounting fees and cost reimbursements have historically exhibited differences in amount that are not materially significant and not cost effective to accrue for separate years Such fees and costs relate to issues that may arise during a certain year as well as to both planning and tax preparation for two years--the current tax year and the prior tax year Therefore, although cash-basis reporting is expected for Cols (a) and (b) of Part I, and accrual-basis is required for Col. (d) of Part I, the allocation reported on this statement is annually applied to the total amount actually paid during the tax year being reported (that is, utilizing cash basis for all columns of Part I because over the years values will vary only slightly from those that would obtain were some more precise divisions calculated.

AMOUNT TO ALLOCATE: ACCOUNTING FEES & REIMBURSABLE COSTS PAID DURING 2012 — $ 2,963 **TO 990-PF PART I, LINE 16b, COL. (a)**

ALLOCATION:

TO INVESTMENT INCOME -- estimated as allocable to management of investments = 75% — $ 2,222 **TO 990-PF PART I, LINE 16b, COL. (b)**

TO CHARITABLE PURPOSES -- estimated as indirectly allocable to charitable purposes = 25% — $ 741 **TO 990-PF PART I, LINE 16b, COL. (d)**

STATEMENT 7
TAXES PAID OR ACCRUED

Excise tax on net investment income for 2012-- an accrued liability 12/31/12		$ 501
Property taxes on mineral/royalty interests, adjusted for discount or penalty		1,284
Production taxes on royalty interests not reported here because the royalty income is reported net of taxes on Statement 5		Not Rptd
Foreign taxes paid on Total S.A. ADR in connection with dividends received (note that Fdn cannot claim a foreign tax credit because it does not pay any I.R C Chapter 1 income tax The taxes are, however, legitimate expense deductions		217
TO 990-PF, PART I, LINE 18(a)		$ 2,002
LESS	Excise tax on net investment income (not deductible in computing net investment income)	(501)
TO 990-PF, PART I, LINE 18(b)--TAXES, OTHER THAN EXCISE TAX ON INVESTMENT INCOME--PAID ON CASH BASIS		$ 1,501

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STATEMENT 8
MISCELLANEOUS EXPENSES

Agency processing fee paid on purchase of Vodafone	$ 20
	TO 990-PF PART I, LINE 23, COLS. (a) & (b)

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STATEMENT 9
CHARITABLE DISTRIBUTIONS

Recipient	Nature		Amount
Alzheimer's Association	Medical/Educational/Soc Welfare		$ 1,000
Big Brothers & Big Sisters	Social Welfare		2,000
Boys and Girls Clubs of Metro Denver	Social Welfare		2,500
Bridge Community	Social Welfare		1,000
Carbondale Council of Arts and Humanities	Arts		1,000
Central City Opera Ass'n	Arts		2,000
Children's Hospital, Denver, CO	Medical		1,000
Colorado Academy	Educational		1,500
Denver Art Museum	Arts		2,000
Denver Botanic Gardens	Civic		2,500
Denver Museum of Contemporary Art	Arts		2,000
Denver Museum of Nature and Science	Educational		2,000
Denver Rescue Mission	Social Welfare		1,000
Salvation Army	Social Welfare		1,000
University of Denver, Denver, CO--segmented to	Educational		13,000
D F Lawrence Scholarship Fund		$ 10,000	
Kappa Sigma Fund		1,000	
Daniels College of Business		1,000	
DU - general unrestricted		1,000	
Total			$ 35,500

TO 990-PF,
PART I.
LINE 25,
COLS. (a) & (d)

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STATEMENT 10
NON-INTEREST-BEARING CASH

Cash received by year end but not deposited into money market fund until following year

	2011	2,012
OXY	$ 1,255	
	TO 990-PF, PART II, LINE 1(a)	**TO 990-PF, PART II, LINE 1, (b) & (c)**

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STATEMENT 11
SAVINGS AND TEMPORARY CASH INVESTMENT—
INTEREST BEARING

Account balance(s) at year end, net of outstanding checks (but excludes cash received by year end but not deposited into money market fund until the following year--which amount is reported on Statement 9).

	Value 12/31/11	Value 12/31/12
U S Government MMF RBC Reserve Class	$ 48,471	$197,136
	TO 990-PF, PART II, LINE 2 COL. (a)	TO 990-PF, PART II, LINE 2 COL. (b) & COL. (c)

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STATEMENT 12
INVESTMENTS IN SECURITIES:
CORPORATE EQUITIES

	Book Value = Fair Value 12/31/11	Book Value = Fair Value 12/31/12
BlackRock Credit Allocation Income Trust IV (BTZ)	$ 24,300	$ 27,460
Bristol-Myers Squibb (BMY)	28,192	26,072
CommonWealth REIT (formerly HRPT Properties Trust) (CWH)	8,320	7,920
First Trust Strategic High Income Fund II (FHY)	30,560	33,200
Franklin Templeton Ltd Duration Income Trust (FTF)	19,864	21,723
GlaxoSmithKline PLC Spons ADR (GSK)	9,126	8,694
Invesco Dyn. Fund - Investor Cl (FIDYX)	82,634	93,297
Lexington Realty Trust (LXP)	8,410	11,734
Novartis ADR (NVS)	0	18,990
Total S A ADR (TOT)	0	26,005
Virtus Total Return Fund (DCA)	0	19,350
Vodafone Group PLC Sponsored ADR (VOD)	28,030	25,190
Wells Fargo & Co 7 5% Non-Cum. Perpetual Cl. A Pfd. Ser L (WFC PRL)	26,400	30,625
White River Capital (RVR)	0	38,250
Xcel Energy (XEL)	47,126	45,541
TOTALS	$312,962 **TO 990-PF, PART II, LINE 10(b), COL. (a)**	$434,051 **TO 990-PF, PART II, LINE 10(b), COL. (b) & COL. (c)**

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STATEMENT 13
INVESTMENTS IN SECURITIES:
CORPORATE & GOVERNMENTAL BONDS AND NOTES

	Book Value = Fair Value 12/31/11	Book Value = Fair Value 12/31/12
$25,000 Capital One Capital II 7 5% Enhanced TruPS (COFPRB) Note· Because of the peculiarities of the hybrid structure for this security, the Foundation treats distributions, when received, as dividend revenue for *financial accounting* purposes, and as interest revenue for *tax* purposes The investment is, correspondingly, reported as an equity investment for *financial accounting* purposes, and as a debt investment for *tax* purposes	$ 25,320	
$50,000 ConocoPhillips 4 75% note, mat 10/15/12 (20825CAE4)	51,493	
	$ 76,813	
	TO 990-PF, PART II, LINE 10(c), COL. (a)	**TO 990-PF, PART II, LINE 10(c), COL. (b) & COL. (c)**

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STATEMENT 14
OTHER INVESTMENTS

	Book Value 12/31/11	Book Value 12/31/12	Fair Value 12/31/12
Mineral and ORRI investments:			
MI in Dawson County, Texas [fair value estimated @ 5 X gross ann royalty income, cash basis] For 2012, $15,675 X 5 = $78,375	$ 0	$ 0	$ 78,375
Partnership Investments			
Ivy Properties, LLLP (acq 2000) [privately traded, no active market, fair value unknown, carried at cost]	35,000	35,000	35,000
Ferrellgas Partners, LP (acq 2006)--sold 2012 [publicly traded—fair value = market price, and book value annually adj to FV under FASB stds]	18,970	0	0
SandRidge Mississippian Trust I, LP (acq 2011) [publicly traded—fair value = market price, and book value annually adj to FV under FASB stds.]	15,525	8,220	8,220
TOTALS	$ 69,495 TO 990-PF, PART II, LINE 13, COL. (a)	$ 43,220 TO 990-PF, PART II, LINE 13, COL. (b)	$121,595 TO 990-PF, PART II, LINE 13, COL. (c)

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STATEMENT 15
OTHER ASSETS -- RECEIVABLES

	Book Value 12/31/11	Book Value 12/31/12	Fair Value 12/31/12
Interest and dividends accrued at year end on securities			
Interest	$ 501	$ 0	$ 0
Dividends	1,005	2184	2,184
Royalty income accrued at year end, net of accrued production taxes	1,451	2245	2,245
	$ 2,957	$ 4,429	$ 4,429
	TO 990-PF, PART II, LINE 15(a)	**TO 990-PF, PART II, LINE 15(b)**	**TO 990-PF, PART II, LINE 15(c)**

STATEMENT 16
OTHER LIABILITIES

	12/31/11	12/31/12
Accrued excise tax payable on net investment income	$ 590	$ 501
	TO 990-PF PART II, LINE 22 COL. (a)	TO 990-PF PART II, LINE 22 COL. (b)

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STATEMENT 17
OTHER INVESTMENTS AS AVERAGE FAIR VALUE BASE FOR MINIMUM INVESTMENT RETURN

PURPOSE OF THIS FORM The Foundation is required to distribute each year a percentage of the fair value of its assets--an amount based on what is called the "minimum investment return" Part X of the Form 990-PF shows the calculation of the minimum investment return amount Part X has separate lines on which to input average fair values for securities and cash. A third line is for stating the fair value of "all other assets" This Statement 16 is used to show the calculation of the "all other" fair value

Royalty interests

FMV	01/01/12	5 X gross, cash basis =		
FMV	12/31/12	5 X gross, cash basis =		
				$ 0
				x.5
Average royalty interest value				$ 0

Limited partnership interests

For purposes of calculating the minimum investment return, investments in limited partnerships have been valued differently, as noted below

Ivy Properties, LLLP (acq 12/28/00)
This investment in a 2% limited partner's interest is carried at cost No information is provided by the general partner upon which to base an estimate of fair value There is no active market for this interest Its carrying value (cost) has been utilized as fair value — $ 35,000

SandRidge Mississippian Trust I, LP (acq. 2011)--a PTP
Inasmuch as this asset is publicly traded, it is possible to utilize its market value for fair value

FMV 1/1/2012			
FMV 12/31/2012	8220		
	x .5		
Sub-total average for limited partnership interests			35,000
Average "other investments" for minimum investment return base			$ 35,000

TO 990-PF, PART X, LINE 1(c)

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STATEMENT 18
ASSET ACQUISITIONS AND FAIR-VALUE ADJUSTMENTS THAT CAUSE "OTHER INCREASES OR DECREASES" FOR PART III OF RETURN

All but $127 of the $30,995 decrease needed to reconcile begining-of-year book value of net assets with end-of-year book value of net assets can be accounted for by the $30,868 total adjustments from fair value to book value listed on Statement 5 The $127 which has not been specifically identified is considered a negligible amount (only 0 4% of the total decrease), and is reasonably considered to be inherent in the "unrealized gains and losses" that give rise to fair-value adjustments to book values of the assets (i e , in *addition to* the identified unrealized gains and losses which are in the $30,868) The 990-PF provides no place to identify such adjustments, but they are required for financial accounting purposes and are part of the values reported on Parts I and II of the return There follows below on this statement a summary and simple example of the process used for financial accounting

Explanation for increases or decreases reported Part III, Lines 3 or 5, arising from fair-value adjustments :

Pursuant to FASB rules, the Foundation's *financial accounting* books include adjustments for the Foundation's investment portfolios to their fair values, and simultaneously, on the *financial accounting* books, such increases or decreases are recorded to special income-statement-adjustment accounts so that the increase/decrease in the fair values of affected assets are reflected on the *financial accounting* income statement. For *tax* purposes, income (and asset values) do not contain such fair-value adjustments, but because they are included in the "book value" amounts reported in Parts I and II of this return, the adjustment values need to be removed in order to reconcile to the *tax* (cash basis) values.

AN EXAMPLE TO ILLUSTRATE

At the start of a tax year, a foundation, which to that point has no investments, invests $50,000 into a stock. That makes the investment's original basis $50,000, equal to the fair value at which it was purchased. By the end of the year, the fair value of the asset has increased to $75,000—an increase of $25,000 No cash was involved in reaching that new value, but, rather, only market forces caused it to be worth more if sold than when it was purchased The additional $25,000 is treated, for *financial accounting* purposes (but not for *tax* purposes) as an *unrealized gain* that was used to acquire an added $25,000 worth of fair value for the asset Both the $25,000 *unrealized gain* and the $25,000 *added fair value* for the asset are recognized on the *financial accounting* records, those values are reported on Parts I and II of the 990-PF—the *unrealized gain* is included in the total that is shown for Part I, Line 27a The new fair value of the asset is included in the total book value for Part II, Line 30, Column (b)

If this were the only asset, it is likely it would never cause any problem in Part III, but that will never be the case, and because of other assets included in the Part III beginning-of-year and end-of-year values, many of which are not subject to the fair-value adjustments, problems can be encountered in Part III

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STATEMENT 19
NET GAIN FROM SALE OF ASSETS
NOT REPORTED ON PART IV OR PART I, LINE 7

Sale of the Foundation's interest in Ferrellgas Partners, LP, resulted in an allocation of overall gain between ordinary income attributable to IRC Sec. 751 assets of the partnership (aka "hot assets") and capital loss. Treatment of this scenario is discussed in Tr Reg Sec. 1 751-1(g), Ex (1) The capital loss portion is reported on Part IV of this return The ordinary gain portion is recorded here and carried to Form 4797 .... $13,449 **TO FORM 4797**

Ferrellgas Partners, LP, provided this statement to be made part of the Foundation's return:

> The taxpayer has reported ordinary income upon the disposition of units in Ferrellgas Partners, L.P., as provided by the Partnership The amount was determined in accordance with Internal Revenue Code Section 751. Detailed information is available from the Partnership upon request.