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 11/01 **, 2012, and ending** 10/31 **, 20**13

Name of foundation
KANE FAMILY FOUNDATION, INC.

A Employer identification number
90-0689673

Number and street (or P O box number if mail is not delivered to street address)
6510-A SOUTH ACADEMY BLVD.
BOX 285

Room/suite

B Telephone number (see instructions)
(719) 381-5629

City or town, state, and ZIP code
COLORADO SPRINGS, CO 80906

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: [X] 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)* ▶ $ 27,957,316.

J Accounting method: ☐ Cash [X] Accrual
☐ Other (specify)
(Part I, column (d) must be on cash basis.)

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

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

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)				
	2 Check ▶ ☐ if the foundation is **not** required to attach Sch B				
	3 Interest on savings and temporary cash investments	751.	751.		ATCH 1
	4 Dividends and interest from securities	602,406.	602,406.		ATCH 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	1,236,848.			
	b Gross sales price for all assets on line 6a 6,125,992.				
	7 Capital gain net income (from Part IV, line 2)		1,236,848.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)				
	12 **Total.** Add lines 1 through 11	1,840,005.	1,840,005.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	79,200.	59,400.		19,800.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) ATCH 3	20,535.	15,401.		5,134.
	c Other professional fees (attach schedule) *	93,494.	89,245.		
	17 Interest				
	18 Taxes (attach schedule) (see instructions) ATCH 5	23,492.	8,203.		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) ATCH 6	2,739.	1,514.		1,225.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	219,460.	173,763.		26,159.
	25 Contributions, gifts, grants paid	1,414,877.			1,254,643.
	26 **Total expenses and disbursements** Add lines 24 and 25	1,634,337.	173,763.	0	1,280,802.
	27 Subtract line 26 from line 12				
	a **Excess of revenue over expenses and disbursements**	205,668.			
	b **Net investment income** (if negative, enter -0-)		1,666,242.		
	c **Adjusted net income** (if negative, enter -0-)				

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

		Line	Description	Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets		1	Cash - non-interest-bearing	1,195,424.	3,252,179.	3,252,179.
		2	Savings and temporary cash investments			
		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			
		10 a	Investments - U S and state government obligations (attach schedule) **	926,612.	1,121,022.	1,121,022.
		b	Investments - corporate stock (attach schedule) ATCH 8	19,217,934.	20,851,129.	20,851,129.
		c	Investments - corporate bonds (attach schedule) ATCH 9	3,744,391.	2,691,924.	2,691,924.
		11	Investments - land, buildings, and equipment basis ▶			
			Less accumulated depreciation (attach schedule) ▶			
		12	Investments - mortgage loans			
		13	Investments - other (attach schedule)			
		14	Land, buildings, and equipment basis ▶			
			Less accumulated depreciation (attach schedule) ▶			
		15	Other assets (describe ▶ ATCH 10)	55,085.	41,062.	41,062.
		16	**Total assets** (to be completed by all filers - see the instructions Also, see page 1, item I)	25,139,446.	27,957,316.	27,957,316.
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 ▶ ATCH 11)	2,462,265.	2,622,497.	
		23	**Total liabilities** (add lines 17 through 22)	2,462,265.	2,622,497.	
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			
		25	Temporarily restricted			
		26	Permanently restricted			
			Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ X			
		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	22,677,181.	25,334,819.	
		30	**Total net assets or fund balances** (see instructions)	22,677,181.	25,334,819.	
		31	**Total liabilities and net assets/fund balances** (see instructions)	25,139,446.	27,957,316.	

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	22,677,181.
2	Enter amount from Part I, line 27a	2	205,668.
3	Other increases not included in line 2 (itemize) ▶ ATCH 12	3	2,451,970.
4	Add lines 1, 2, and 3	4	25,334,819.
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	25,334,819.

**ATCH 7

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a	SEE PART IV SCHEDULE			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
	(i) F.M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a				
b				
c				
d				
e				

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7 } **2** 1,236,848.

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** 0

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	1,297,476.	24,769,089.	0.052383
2010	558,668.	24,542,500.	0.022763
2009	1,045,680.	21,867,811.	0.047818
2008	941,845.	19,448,137.	0.048429
2007	942,559.	20,373,515.	0.046264

2	**Total** of line 1, column (d)	2	0.217657
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	0.043531
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	26,180,047.
5	Multiply line 4 by line 3	5	1,139,644.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	16,662.
7	Add lines 5 and 6	7	1,156,306.
8	Enter qualifying distributions from Part XII, line 4	8	1,280,802.

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 ▶ [X] and enter 1% of Part I, line 27b	1	16,662.
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	16,662.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	0
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-	5	16,662.
6	Credits/Payments		
a	2012 estimated tax payments and 2011 overpayment credited to 2012 — 6a: 4,904.		
b	Exempt foreign organizations - tax withheld at source — 6b		
c	Tax paid with application for extension of time to file (Form 8868) — 6c		
d	Backup withholding erroneously withheld — 6d		
7	Total credits and payments Add lines 6a through 6d	7	4,904.
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	11,758.
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		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	1b		X
	*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		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ $ ______ (2) On foundation managers ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ______			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities*	2		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*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		X
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		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?	6	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*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ CO,			
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	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*	9		X
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		X

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		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 ▶ WWW.KANEFAMILYFOUNDATION.ORG

14 The books are in care of ▶ AMERICAN NATIONAL BANK Telephone no ▶

Located at ▶ 102 NORTH CASCADE COLORADO SPRINGS, CO ZIP+4 ▶ 80903

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** - Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ 15

			Yes	No
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		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

			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		X
	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		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? ☐ Yes ☒ 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	X	
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? ☐ 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		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	4b		X

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

5a During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ 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** No: X

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** No: X

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
ATCH 13		79,200.	0	0

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

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

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

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Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)*

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over $50,000 for professional services ▶		

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	
2	
All other program-related investments See instructions 3 NONE	
Total. Add lines 1 through 3 ▶	

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	22,947,006.
b	Average of monthly cash balances	1b	3,587,741.
c	Fair market value of all other assets (see instructions)	1c	43,981.
d	**Total** (add lines 1a, b, and c)	1d	26,578,728.
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	26,578,728.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	398,681.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	26,180,047.
6	**Minimum investment return.** Enter 5% of line 5	6	1,309,002.

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	1,309,002.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	16,662.		
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	16,662.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	1,292,340.
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	1,292,340.
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	1,292,340.

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	1,280,802.
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	1,280,802.
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	16,662.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	1,264,140.

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				1,292,340.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			205,548.	
b Total for prior years 20 10 ,20 09 ,20 08				
3 Excess distributions carryover, if any, to 2012.				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f Total of lines 3a through e				
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ $ 1,280,802.				
a Applied to 2011, but not more than line 2a			205,548.	
b Applied to undistributed income of prior years (Election required - see instructions)				
c Treated as distributions out of corpus (Election required - see instructions)				
d Applied to 2012 distributable amount				1,075,254.
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount - see instructions				
e Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount - see instructions				
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013				217,086.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)				
9 **Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a	0			
10 Analysis of line 9				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

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

ATCH 14

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

ATCH 15

c Any submission deadlines:

NONE

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

ATCH 16

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*				
ATCH 17				
Total ▶ **3a**				1,254,643.
b *Approved for future payment*				
ATCH 18				
Total ▶ **3b**				2,622,497.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions.)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	751.	
4 Dividends and interest from securities			14	602,406.	
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	1,236,848.	
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)				1,840,005.	

13 Total. Add line 12, columns (b), (d), and (e) . . . 13 1,840,005.

(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.)

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

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
	N/A		N/A

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

Signature of officer or trustee | Date 3-24-14 | Title Treas.

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
RITA F. WORSTER, CPA	Rita F Worster	3/17/14		P00290681

Firm's name ▶ BKD, LLP — Firm's EIN ▶ 44-0160260

Firm's address ▶ 111 SOUTH TEJON, SUITE 800 COLORADO SPRINGS, CO 80903-9848 — Phone no 719 471-4290

FORM 990PF, PART XV - CONTRIBUTIONS APPROVED FOR FUTURE PAYMENT

ATTACHMENT 18

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
FUTURE COLLEGE SCHOLARSHIP FUNDING 2013-2014	NON-AFFILIATE EXEMPT	SCHOLARSHIPS	665,115
FUTURE COLLEGE SCHOLARSHIP FUNDING 2014-2015	NON-AFFILIATE EXEMPT	SCHOLARSHIPS	929,125
FUTURE COLLEGE SCHOLARSHIP FUNDING 2015-2016	NON-AFFILIATE EXEMPT	SCHOLARSHIPS	661,964
FUTURE COLLEGE SCHOLARSHIP FUNDING 2016-2017	NON-AFFILIATE EXEMPT	SCHOLARSHIPS	366,293
		TOTAL CONTRIBUTIONS APPROVED	2,622,497

KANE FAMILY FOUNDATION, INC. 90-0689673

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		950 SHS EXPRESS SCRIPTS					11/29/2012	12/12/2012
51,616.		48,834.					2,782.	
		100 SHS APPLE					11/13/2012	12/13/2012
53,032.		55,869.					-2,837.	
		1000 SHS TEVA PHARMA					09/20/2012	08/01/2013
39,471.		40,047.					-576.	
		1000 SHS TEVA PHARMA					09/04/2012	08/01/2013
39,471.		40,287.					-816.	
		650 SHS DIAGEO PLC					08/17/2011	12/13/2012
78,510.		49,939.					28,571.	
		1325 SHS TEVA PHARMA					08/03/2010	12/13/2012
56,299.		67,295.					-10,996.	
		625 SHS PHILLIPS 66					06/25/2010	11/29/2012
30,685.		16,379.					14,306.	
		500 SHS PHILLIPS 66					05/07/2010	11/29/2012
24,548.		13,838.					10,710.	
		800 SHS BECTON DICKINSON					03/15/2010	12/13/2012
62,186.		63,256.					-1,070.	
		200000 SHS WESTPAC BANKING 2.25%					01/12/2010	11/15/2012
200,000.		200,374.					-374.	
		1000 SHS YUM BRANDS					12/08/2009	11/29/2012
73,340.		35,549.					37,791.	
		1000 SHS YUM BRANDS					02/17/2010	02/08/2013
61,351.		33,192.					28,159.	

KANE FAMILY FOUNDATION, INC. 90-0689673

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		4875 SHS TEVA PHARMA					08/03/2010	08/01/2013
192,420.		247,595.					-55,175.	
		1275 SHS YUM BRANDS					12/08/2009	12/13/2012
84,269.		45,325.					38,944.	
		5725 SHS YUM BRANDS					12/08/2009	02/08/2013
351,237.		203,520.					147,717.	
		325 SHS PHILLIPS 66					06/18/2009	11/29/2012
15,956.		6,833.					9,123.	
		285000 SHS FHLB, 3.375%					09/08/2009	02/27/2013
285,000.		299,296.					-14,296.	
		10000 SHS CHFA 4%					04/07/2009	11/01/2012
10,000.		10,000.						
		115000 SHS MERRILL LYNCH 6.15%					06/30/2009	04/25/2013
115,000.		115,000.						
		110000 SHS VERIZON 4.625%					02/09/2009	12/10/2012
111,242.		107,133.					4,109.	
		125000 SHS CON ED 4.875%					04/01/2009	02/01/2013
125,000.		126,838.					-1,838.	
		125000 SHS AVON 4.625%					06/22/2009	05/15/2013
125,000.		126,788.					-1,788.	
		100000 SHS FNMA 4.625%					05/12/2009	05/01/2013
100,000.		102,271.					-2,271.	
		200000 SHS FHLB 5.125%					08/25/2009	08/14/2013
200,000.		219,784.					-19,784.	

KANE FAMILY FOUNDATION, INC. 90-0689673

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		125000 SHS DELL 4.7%					03/25/2009	04/12/2013
125,000.		125,821.					-821.	
		10000 SHS CHFA 4%					04/07/2009	05/01/2013
10,000.		10,000.						
		125000 SHS EATON 4.9%					04/06/2009	05/15/2013
125,000.		122,898.					2,102.	
		75 SHS PHILLIPS 66					10/17/2008	11/29/2012
3,682.		2,044.					1,638.	
		1600 SHS NESTLE SA ADR					10/16/2008	12/13/2012
104,566.		59,151.					45,415.	
		825 SHS NIKE					07/23/2008	12/13/2012
81,451.		48,057.					33,394.	
		900 SHS UNITED TECHNOLOGIES					06/02/2008	12/13/2012
72,766.		63,329.					9,437.	
		800 SHS BERKSHIRE HATHAWAY B SHARES					06/02/2008	12/13/2012
69,704.		68,932.					772.	
		500 SHS ABBVIE					10/24/2008	07/02/2013
21,508.		10,872.					10,636.	
		500 SHS ABBVIE					10/17/2008	07/02/2013
21,508.		10,872.					10,636.	
		450 SHS PHILLIPS 66					02/29/2008	11/29/2012
22,093.		17,998.					4,095.	
		850 SHS CONOCO PHILLIPS					02/29/2008	12/13/2012
49,063.		70,907.					-21,844.	

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj. basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		725 SHS SCHLUMBERGER					01/24/2008	12/13/2012
52,071.		57,757.					-5,686.	
		1125 SHS AFLAC					06/15/2007	12/13/2012
60,470.		38,829.					21,641.	
		1375 SHS ILLINOIS TOOL WORKS					04/18/2007	12/13/2012
85,458.		59,633.					25,825.	
		1875 SHS ISHARES RUSSELL 2000 INDEX FUND					04/18/2007	12/13/2012
154,482.		85,964.					68,518.	
		150 SHS ABBVIE					10/02/2007	07/02/2013
6,452.		3,261.					3,191.	
		650 SHS PHILLIPS 66					01/01/2007	11/29/2012
31,912.		25,997.					5,915.	
		375 SHS MICROSOFT					01/01/2007	12/13/2012
10,063.		9,264.					799.	
		3100 SHS ABBVIE					01/01/2007	07/02/2013
133,348.		67,404.					65,944.	
		575 SHS SPDR TR. DJ REIT ETF					10/28/2004	12/13/2012
41,498.		34,568.					6,930.	
		500 SHS JOHNSON AND JOHNSON					06/30/2003	11/29/2012
34,510.		30,341.					4,169.	
		900 SHS JOHNSON AND JOHNSON					06/30/2003	12/13/2012
63,559.		54,614.					8,945.	
		500 SHS PROCTER AND GAMBLE					06/03/2003	11/29/2012
34,596.		22,883.					11,713.	

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		500 SHS WAL-MART					06/03/2003	11/29/2012
34,841.		26,981.					7,860.	
		2100 SHS ISHARES MSCI EMERGING MKT FUND					06/03/2003	12/13/2012
90,281.		40,904.					49,377.	
		875 SHS EXXON MOBIL					06/03/2003	12/13/2012
77,394.		32,410.					44,984.	
		1375 SHS EMERSON ELECTRIC					06/03/2003	12/13/2012
70,319.		42,664.					27,655.	
		1600 SHS DANAHER					06/03/2003	12/13/2012
85,140.		35,984.					49,156.	
		1050 SHS WAL-MART					06/03/2003	12/13/2012
75,664.		56,661.					19,003.	
		1850 SHS SPDR MATERIALS					06/03/2003	12/13/2012
66,954.		50,297.					16,657.	
		1700 SHS MICROSOFT					06/03/2003	12/13/2012
45,617.		41,259.					4,358.	
		875 SHS MCDONALDS					06/03/2003	12/13/2012
78,410.		20,790.					57,620.	
		1050 SHS PROCTER AND GAMBLE					06/03/2003	12/13/2012
73,775.		48,053.					25,722.	
		1475 SHS ISHARES S&P MIDCAP 400 INDEX FU					06/03/2003	12/13/2012
148,916.		114,001.					34,915.	
		1275 SHS PEPSICO					06/03/2003	12/13/2012
89,545.		57,997.					31,548.	

KANE FAMILY FOUNDATION, INC. 90-0689673

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj. basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		600 SHS CHEVRON					06/03/2003	12/13/2012
64,002.		36,342.					27,660.	
		2775 SHS COCA-COLA					06/03/2003	12/13/2012
104,371.		54,701.					49,670.	
		1025 SHS ABBOTT LABS					06/03/2003	12/13/2012
67,229.		39,541.					27,688.	
		350 SHS ISHARES COHEN STEERS REALTY					06/03/2003	12/13/2012
27,190.		22,334.					4,856.	
		950 SHS COLGATE PALMOLIVE					06/03/2003	12/13/2012
101,729.		51,647.					50,082.	
		4100 SHS ISHARES MSCI EAFE INDEX FUND					06/03/2003	12/13/2012
227,300.		250,785.					-23,485.	
		900 SHS STRYKER					06/03/2003	12/13/2012
49,203.		43,044.					6,159.	
		800 SHS 3M					06/03/2003	12/13/2012
73,640.		50,244.					23,396.	
		1375 SHS AUTO DATA PROCESSING					06/03/2003	12/13/2012
79,119.		48,364.					30,755.	
		1075 SHS ABBVIE					06/03/2003	07/02/2013
46,242.		23,374.					22,868.	
		100 SHS EXPRESS SCRIPTS					11/29/2012	12/13/2012
5,433.		5,140.					293.	
		10 SHS APPLE					11/13/2012	12/13/2012
5,303.		5,587.					-284.	

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		50 SHS DIAGEO PLC					08/17/2011	12/13/2012
6,039.		3,841.					2,198.	
		75 SHS 3M					08/17/2011	12/13/2012
6,904.		6,204.					700.	
		75 SHS PROCTER AND GAMBLE					04/29/2011	11/29/2012
5,189.		3,468.					1,721.	
		75 SHS JOHNSON AND JOHNSON					04/29/2011	11/29/2012
5,176.		4,162.					1,014.	
		112.5 SHS PHILLIPS 66					04/29/2011	11/29/2012
5,523.		3,609.					1,914.	
		37.5 SHS PHILLIPS 66					04/29/2011	11/29/2012
1,841.		713.					1,128.	
		150 SHS YUM BRANDS					04/29/2011	11/29/2012
11,001.		5,332.					5,669.	
		200 SHS ISHARES MSCI EMERGING MKT FUND					04/29/2011	12/13/2012
8,598.		6,591.					2,007.	
		50 SHS CONOCO PHILLIPS					04/29/2011	12/13/2012
2,886.		2,544.					342.	
		100 SHS EXXON MOBIL					04/29/2011	12/13/2012
8,845.		347.					8,498.	
		75 SHS JOHNSON AND JOHNSON					04/29/2011	12/13/2012
5,297.		4,162.					1,135.	
		25 SHS JOHNSON AND JOHNSON					04/29/2011	12/13/2012
1,766.		1,253.					513.	

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		150 SHS ILLINOIS TOOL WORKS					04/29/2011	12/13/2012
9,323.		6,505.					2,818.	
		75 SHS EMERSON ELECTRIC					04/29/2011	12/13/2012
3,836.		2,174.					1,662.	
		50 SHS EMERSON ELECTRIC					04/29/2011	12/13/2012
2,557.		1,598.					959.	
		200 SHS DANAHER					04/29/2011	12/13/2012
10,642.		4,498.					6,144.	
		75 SHS WAL-MART					04/29/2011	12/13/2012
5,405.		3,953.					1,452.	
		50 SHS WAL-MART					04/29/2011	12/13/2012
3,603.		2,872.					731.	
		75 SHS SCHLUMBERGER					04/29/2011	12/13/2012
5,387.		5,975.					-588.	
		125 SHS YUM BRANDS					04/29/2011	12/13/2012
8,262.		4,444.					3,818.	
		175 SHS NESTLE SA ADR					04/29/2011	12/13/2012
11,437.		6,470.					4,967.	
		200 SHS MICROSOFT					04/29/2011	12/13/2012
5,367.		5,854.					-487.	
		100 SHS MCDONALDS					04/29/2011	12/13/2012
8,961.		2,509.					6,452.	
		85 SHS PROCTER AND GAMBLE					04/29/2011	12/13/2012
5,972.		3,931.					2,041.	

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		40 SHS PROCTER AND GAMBLE					04/29/2011	12/13/2012
2,810.		1,902.					908.	
		200 SHS ISHARES RUSSELL 2000 INDEX FUND					04/29/2011	12/13/2012
16,478.		7,551.					8,927.	
		150 SHS ISHARES S&P MIDCAP 400 INDEX FUN					04/29/2011	12/13/2012
15,144.		11,593.					3,551.	
		125 SHS PEPSICO					04/29/2011	12/13/2012
8,779.		4,122.					4,657.	
		25 SHS CHEVRON					04/29/2011	12/13/2012
2,667.		1,676.					991.	
		100 SHS COCA-COLA					04/29/2011	12/13/2012
3,761.		2,999.					762.	
		225 SHS COCA-COLA					04/29/2011	12/13/2012
8,463.		5,517.					2,946.	
		125 SHS ABBOTT LABS					04/29/2011	12/13/2012
8,199.		4,522.					3,677.	
		75 SHS BECTON DICKINSON					04/29/2011	12/13/2012
5,830.		5,930.					-100.	
		100 SHS COLGATE PALMOLIVE					04/29/2011	12/13/2012
10,708.		5,337.					5,371.	
		275 SHS ISHARES MSCI EAFE INDEX FUND					04/29/2011	12/13/2012
15,246.		9,151.					6,095.	
		100 SHS TEVA PHARMA					04/29/2011	12/13/2012
4,249.		5,079.					-830.	

KANE FAMILY FOUNDATION, INC. 90-0689673

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		125 SHS STRYKER					04/29/2011	12/13/2012
6,834.		5,978.					856.	
		75 SHS UNITED TECHNOLOGIES					04/29/2011	12/13/2012
6,064.		5,277.					787.	
		100 SHS NIKE					04/29/2011	12/13/2012
9,873.		5,825.					4,048.	
		100 SHS AFLAC					04/29/2011	12/13/2012
5,375.		1,230.					4,145.	
		75 SHS BERKSHIRE HATHAWAY B SHARES					04/29/2011	12/13/2012
6,535.		6,462.					73.	
		150 SHS AUTO DATA PROCESSING					04/29/2011	12/13/2012
8,631.		6,564.					2,067.	
		150 SHS ABBVIE					10/29/2011	07/02/2013
6,452.		3,844.					2,608.	
		475 SHS YUM BRANDS					04/29/2011	02/08/2013
29,142.		16,886.					12,256.	
		150 SHS ABBVIE					04/29/2011	07/02/2013
6,452.		2,567.					3,885.	
		100 SHS ABBVIE					04/29/2011	07/02/2013
4,302.		2,069.					2,233.	
		50 SHS ABBVIE					04/29/2011	07/02/2013
2,151.		1,281.					870.	
		425 SHS TEVA PHARMA					04/29/2011	08/02/2013
16,775.		21,586.					-4,811.	

KANE FAMILY FOUNDATION, INC. 90-0689673

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj. basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		15000 SHS DUPONT 4.75%					04/29/2011	11/15/2012
15,000.		15,216.					-216.	
		15000 SHS IBM 4.75%					04/29/2011	11/29/2012
15,000.		14,677.					323.	
		20000 SHS GENERAL ELECTRIC 5%					04/29/2011	02/01/2013
20,000.		20,403.					-403.	
		10000 SHS GENERAL ELECTRIC 5%					04/29/2011	02/01/2013
10,000.		10,306.					-306.	
		15000 SHS WAL-MART 4.55%					04/29/2011	05/01/2013
15,000.		14,843.					157.	
		CLASS ACTION PROCEEDS					VARIOUS	VARIOUS
24.							24.	
		CAPITAL CREDITS					VARIOUS	VARIOUS
681.							681.	
		CAPITAL GAIN DISTRIBUTIONS					VARIOUS	VARIOUS
1,540.							1,540.	
TOTAL GAIN(LOSS)							1,236,848.	

FORM 990PF, PART I - INTEREST ON TEMPORARY CASH INVESTMENTS

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
SEI MONEY FUND AND OTHER	751.	751.
TOTAL	751.	751.

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
ORDINARY DIVIDENDS	446,894.	446,894.
AGENCY BOND INTEREST	27,150.	27,150.
CORPORATE BOND INTEREST	98,770.	98,770.
MUNICIPAL BOND INTEREST	29,592.	29,592.
TOTAL	602,406.	602,406.

ATTACHMENT 3

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
ACCOUNTING FEES	20,535.	15,401.		5,134.
TOTALS	20,535.	15,401.		5,134.

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
INVESTMENT FEES		93,494.	89,245.
	TOTALS	93,494.	89,245.

FORM 990PF, PART I - TAXES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
FOREIGN TAX ON INVESTMENTS	8,203.	8,203.
FEDERAL TAXES PAID	15,289.	
TOTALS	23,492.	8,203.

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	CHARITABLE PURPOSES
DUES AND OTHER FEES	2,019.	1,514.	505.
SCHOLAR RECOGNITION	720.		720.
TOTALS	2,739.	1,514.	1,225.

FORM 990PF, PART II - U.S. AND STATE OBLIGATIONS

ATTACHMENT 7

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
MUNI BONDS	1,121,022.	1,121,022.
US OBLIGATIONS TOTAL	1,121,022.	1,121,022.

ATTACHMENT 8

FORM 990PF, PART II - CORPORATE STOCK

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
AMERICAN NATIONAL BANK	20,851,129.	20,851,129.
TOTALS	20,851,129.	20,851,129.

ATTACHMENT 9

FORM 990PF, PART II - CORPORATE BONDS

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
AMERICAN NATIONAL BANK	2,691,924.	2,691,924.
TOTALS	2,691,924.	2,691,924.

KANE FAMILY FOUNDATION, INC. 90-0689673

ATTACHMENT 10

FORM 990PF, PART II - OTHER ASSETS

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
ACCRUED BOND INTEREST	41,062.	41,062.
TOTALS	41,062.	41,062.

ATTACHMENT 11

FORM 990PF, PART II - OTHER LIABILITIES

DESCRIPTION		ENDING BOOK VALUE
FUTURE FUNDING OBLIGATIONS		2,622,497.
	TOTALS	2,622,497.

ATTACHMENT 12

FORM 990PF, PART III - OTHER INCREASES IN NET WORTH OR FUND BALANCES

DESCRIPTION		AMOUNT
UNREALIZED GAINS ON INVESTMENTS		2,451,970.
	TOTAL	2,451,970.

ATTACHMENT 15

990PF, PART XV - FORM AND CONTENTS OF SUBMITTED APPLICATIONS

PLEASE CONTACT THE TRUSTEES TO RECEIVE DETAILS OF SCHOLARSHIP FORMS AND REQUIREMENTS. INFORMATION IS ALSO AVAILABLE THROUGH LINKS ON THE FOUNDATION'S WEBSITE AT: WWW.KANEFAMILYFOUNDATION.ORG

ATTACHMENT 16

990PF, PART XV - RESTRICTIONS OR LIMITATIONS ON AWARDS

AWARDS WILL ONLY BE MADE FOR CHARITABLE, SCIENTIFIC AND EDUCATIONAL PURPOSES TO ORGANIZATIONS THAT QUALIFY AS EXEMPT ORGANIZATIONS UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE. AWARDS ARE LIMITED TO SCHOLARSHIPS FOR EDUCATION AND FOR QUALIFIED MEDICAL RESEARCH.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 17

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
UNIVERSITY OF COLORADO FOUNDATION 1420 AUSTIN BLUFFS PKWY COLORADO SPRINGS, CO 80918	NON-AFFILIATE EXEMPT	SCHOLARSHIPS	754,905
PIKES PEAK COMMUNITY COLLEGE FOUNDATION 5675 S ACADEMY BLVD COLORADO SPRINGS, CO 80906	NON-AFFILIATE EXEMPT	SCHOLARSHIPS	136,183
COLORADO STATE UNIVERSITY-PUEBLO 220 BONFORTE BLVD PUEBLO, CO 81001-4901	NON-AFFILIATE EXEMPT	SCHOLARSHIPS	235,420
TRINIDAD STATE JUNIOR COLLEGE 600 PROSPECT STREET TRINIDAD, CO 81082	NON-AFFILIATE EXEMPT	SCHOLARSHIPS	13,874
LAMAR COMMUNITY COLLEGE 2401 S. MAIN ST LAMAR, CO 81052	NON-AFFILIATE EXEMPT	SCHOLARSHIPS	18,503.
PUEBLO COMMUNITY COLLEGE 900 WEST ORMAN AVENUE PUEBLO, CO 81004-1499	NON-AFFILIATE EXEMPT	SCHOLARSHIPS	15,472.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 17 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
OTERO COMMUNITY COLLEGE 1802 COLORADO AVENUE LA JUNTA, CO 81050	NON-AFFILIATE EXEMPT	SCHOLARSHIPS	13,098
VIRGINIA TECH FOUNDATION 902 PRICES FORK ROAD SUITE 4500 BLACKSBURG, VA 24061	NON-AFFILIATE EXEMPT	SCHOLARSHIPS	67,188
		TOTAL CONTRIBUTIONS PAID	1,254,643

ATTACHMENT 14

FORM 990PF, PART XV - NAME, ADDRESS AND PHONE FOR APPLICATIONS

CONTACT THE TRUSTEES
6510-A SOUTH ACADEMY BLVD, BOX 285
COLORADO SPRINGS, CO 80906
719-381-5629

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

ATTACHMENT 13

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
RYAN W. STYRE 102 N. CASCADE AVENUE COLORADO SPRINGS, CO 80903	CO-TRUSTEE 4.00	0	0	0
GREGORY L. JOHNSON 6510-A SOUTH ACADEMY BLVD. BOX 285 COLORADO SPRINGS, CO 80906	CO-TRUSTEE 4.00	39,600.	0	0
WILLIAM S. CORRIGAN 6510-A SOUTH ACADEMY BLVD. BOX 285 COLORADO SPRINGS, CO 80906	CO-TRUSTEE 4.00	39,600.	0	0
TAD A. GOODENBOUR 111 S. TEJON STREET, SUITE 800 COLORADO SPRINGS, CO 80903	CO-TRUSTEE 4.00	0	0	0
	GRAND TOTALS	79,200.	0	0

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	Employer identification number
KANE FAMILY FOUNDATION, INC.	90-0689673

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	-1,438.
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	-1,438.

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						

b	Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b	6b	1,238,286.
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	1,238,286.

Part III **Summary of Parts I and II**
Caution: *Read the instructions* ***before*** *completing this part.*

			(1) Beneficiaries' (see instr.)	(2) Estate's or trust's	(3) Total
13	**Net short-term gain or (loss)**	13			-1,438.
14	**Net long-term gain or (loss):**				
a	Total for year	14a			1,238,286.
b	Unrecaptured section 1250 gain (see line 18 of the wrksht.)	14b			
c	28% rate gain	14c			
15	**Total net gain or (loss).** Combine lines 13 and 14a ▶	15			1,236,848.

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:
a The loss on line 15, column (3) **or** b $3,000 . . . 16 ( )

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? ☐ **Yes.** Skip lines 25 and 26; go to line 27 and check the "No" box. ☐ **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? ☐ **Yes.** Skip lines 27 thru 30, go to line 31 ☐ **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	

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SCHEDULE D-1 (Form 1041)

Department of the Treasury Internal Revenue Service

Continuation Sheet for Schedule D (Form 1041)

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

▶ 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: KANE FAMILY FOUNDATION, INC.

Employer identification number: 90-0689673

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

(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)
1a					
950 SHS EXPRESS SCRIPTS	11/29/2012	12/12/2012	51,616.	48,834.	2,782.
100 SHS APPLE	11/13/2012	12/13/2012	53,032.	55,869.	-2,837.
1000 SHS TEVA PHARMA	09/20/2012	08/01/2013	39,471.	40,047.	-576.
1000 SHS TEVA PHARMA	09/04/2012	08/01/2013	39,471.	40,287.	-816.
100 SHS EXPRESS SCRIPTS	11/29/2012	12/13/2012	5,433.	5,140.	293.
10 SHS APPLE	11/13/2012	12/13/2012	5,303.	5,587.	-284.

1b Total. Combine the amounts in column (f). Enter here and on Schedule D, line 1b . . . . -1,438.

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

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 650 SHS DIAGEO PLC	08/17/2011	12/13/2012	78,510.	49,939.	28,571.
1325 SHS TEVA PHARMA	08/03/2010	12/13/2012	56,299.	67,295.	-10,996.
625 SHS PHILLIPS 66	06/25/2010	11/29/2012	30,685.	16,379.	14,306.
500 SHS PHILLIPS 66	05/07/2010	11/29/2012	24,548.	13,838.	10,710.
800 SHS BECTON DICKINSON	03/15/2010	12/13/2012	62,186.	63,256.	-1,070.
200000 SHS WESTPAC BANKING 2.25%	01/12/2010	11/15/2012	200,000.	200,374.	-374.
1000 SHS YUM BRANDS	12/08/2009	11/29/2012	73,340.	35,549.	37,791.
1000 SHS YUM BRANDS	02/17/2010	02/08/2013	61,351.	33,192.	28,159.
4875 SHS TEVA PHARMA	08/03/2010	08/01/2013	192,420.	247,595.	-55,175.
1275 SHS YUM BRANDS	12/08/2009	12/13/2012	84,269.	45,325.	38,944.
5725 SHS YUM BRANDS	12/08/2009	02/08/2013	351,237.	203,520.	147,717.
325 SHS PHILLIPS 66	06/18/2009	11/29/2012	15,956.	6,833.	9,123.
285000 SHS FHLB, 3.375%	09/08/2009	02/27/2013	285,000.	299,296.	-14,296.
10000 SHS CHFA 4%	04/07/2009	11/01/2012	10,000.	10,000.	
115000 SHS MERRILL LYNCH 6.15%	06/30/2009	04/25/2013	115,000.	115,000.	
110000 SHS VERIZON 4.625%	02/09/2009	12/10/2012	111,242.	107,133.	4,109.
125000 SHS CON ED 4.875%	04/01/2009	02/01/2013	125,000.	126,838.	-1,838.
125000 SHS AVON 4.625%	06/22/2009	05/15/2013	125,000.	126,788.	-1,788.
100000 SHS FNMA 4.625%	05/12/2009	05/01/2013	100,000.	102,271.	-2,271.
200000 SHS FHLB 5.125%	08/25/2009	08/14/2013	200,000.	219,784.	-19,784.
125000 SHS DELL 4.7%	03/25/2009	04/12/2013	125,000.	125,821.	-821.
10000 SHS CHFA 4%	04/07/2009	05/01/2013	10,000.	10,000.	
125000 SHS EATON 4.9%	04/06/2009	05/15/2013	125,000.	122,898.	2,102.
75 SHS PHILLIPS 66	10/17/2008	11/29/2012	3,682.	2,044.	1,638.
1600 SHS NESTLE SA ADR	10/16/2008	12/13/2012	104,566.	59,151.	45,415.

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

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

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					
825 SHS NIKE	07/23/2008	12/13/2012	81,451.	48,057.	33,394.
900 SHS UNITED TECHNOLOGIE S	06/02/2008	12/13/2012	72,766.	63,329.	9,437.
800 SHS BERKSHIRE HATHAWAY B SHARES	06/02/2008	12/13/2012	69,704.	68,932.	772.
500 SHS ABBVIE	10/24/2008	07/02/2013	21,508.	10,872.	10,636.
500 SHS ABBVIE	10/17/2008	07/02/2013	21,508.	10,872.	10,636.
450 SHS PHILLIPS 66	02/29/2008	11/29/2012	22,093.	17,998.	4,095.
850 SHS CONOCO PHILLIPS	02/29/2008	12/13/2012	49,063.	70,907.	-21,844.
725 SHS SCHLUMBERGER	01/24/2008	12/13/2012	52,071.	57,757.	-5,686.
1125 SHS AFLAC	06/15/2007	12/13/2012	60,470.	38,829.	21,641.
1375 SHS ILLINOIS TOOL WORKS	04/18/2007	12/13/2012	85,458.	59,633.	25,825.
1875 SHS ISHARES RUSSELL 2000 INDEX FUND	04/18/2007	12/13/2012	154,482.	85,964.	68,518.
150 SHS ABBVIE	10/02/2007	07/02/2013	6,452.	3,261.	3,191.
650 SHS PHILLIPS 66	01/01/2007	11/29/2012	31,912.	25,997.	5,915.
375 SHS MICROSOFT	01/01/2007	12/13/2012	10,063.	9,264.	799.
3100 SHS ABBVIE	01/01/2007	07/02/2013	133,348.	67,404.	65,944.
575 SHS SPDR TR. DJ REIT ETF	10/28/2004	12/13/2012	41,498.	34,568.	6,930.
500 SHS JOHNSON AND JOHNSON	06/30/2003	11/29/2012	34,510.	30,341.	4,169.
900 SHS JOHNSON AND JOHNSON	06/30/2003	12/13/2012	63,559.	54,614.	8,945.
500 SHS PROCTER AND GAMBLE	06/03/2003	11/29/2012	34,596.	22,883.	11,713.
500 SHS WAL-MART	06/03/2003	11/29/2012	34,841.	26,981.	7,860.
2100 SHS ISHARES MSCI EMERGING MKT FUND	06/03/2003	12/13/2012	90,281.	40,904.	49,377.
875 SHS EXXON MOBIL	06/03/2003	12/13/2012	77,394.	32,410.	44,984.
1375 SHS EMERSON ELECTRIC	06/03/2003	12/13/2012	70,319.	42,664.	27,655.
1600 SHS DANAHER	06/03/2003	12/13/2012	85,140.	35,984.	49,156.
1050 SHS WAL-MART	06/03/2003	12/13/2012	75,664.	56,661.	19,003.
6b Total. Combine the amounts in column (f). Enter here and on Schedule D, line 6b					

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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					
1850 SHS SPDR MATERIALS	06/03/2003	12/13/2012	66,954.	50,297.	16,657.
1700 SHS MICROSOFT	06/03/2003	12/13/2012	45,617.	41,259.	4,358.
875 SHS MCDONALDS	06/03/2003	12/13/2012	78,410.	20,790.	57,620.
1050 SHS PROCTER AND GAMBLE	06/03/2003	12/13/2012	73,775.	48,053.	25,722.
1475 SHS ISHARES S&P MIDCAP 400 INDEX FUND	06/03/2003	12/13/2012	148,916.	114,001.	34,915.
1275 SHS PEPSICO	06/03/2003	12/13/2012	89,545.	57,997.	31,548.
600 SHS CHEVRON	06/03/2003	12/13/2012	64,002.	36,342.	27,660.
2775 SHS COCA-COLA	06/03/2003	12/13/2012	104,371.	54,701.	49,670.
1025 SHS ABBOTT LABS	06/03/2003	12/13/2012	67,229.	39,541.	27,688.
350 SHS ISHARES COHEN STEERS REALTY	06/03/2003	12/13/2012	27,190.	22,334.	4,856.
950 SHS COLGATE PALMOLIVE	06/03/2003	12/13/2012	101,729.	51,647.	50,082.
4100 SHS ISHARES MSCI EAFE INDEX FUND	06/03/2003	12/13/2012	227,300.	250,785.	-23,485.
900 SHS STRYKER	06/03/2003	12/13/2012	49,203.	43,044.	6,159.
800 SHS 3M	06/03/2003	12/13/2012	73,640.	50,244.	23,396.
1375 SHS AUTO DATA PROCESSING	06/03/2003	12/13/2012	79,119.	48,364.	30,755.
1075 SHS ABBVIE	06/03/2003	07/02/2013	46,242.	23,374.	22,868.
50 SHS DIAGEO PLC	08/17/2011	12/13/2012	6,039.	3,841.	2,198.
75 SHS 3M	08/17/2011	12/13/2012	6,904.	6,204.	700.
75 SHS PROCTER AND GAMBLE	04/29/2011	11/29/2012	5,189.	3,468.	1,721.
75 SHS JOHNSON AND JOHNSON	04/29/2011	11/29/2012	5,176.	4,162.	1,014.
112.5 SHS PHILLIPS 66	04/29/2011	11/29/2012	5,523.	3,609.	1,914.
37.5 SHS PHILLIPS 66	04/29/2011	11/29/2012	1,841.	713.	1,128.
150 SHS YUM BRANDS	04/29/2011	11/29/2012	11,001.	5,332.	5,669.
200 SHS ISHARES MSCI EMERGING MKT FUND	04/29/2011	12/13/2012	8,598.	6,591.	2,007.
50 SHS CONOCO PHILLIPS	04/29/2011	12/13/2012	2,886.	2,544.	342.

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

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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 100 SHS EXXON MOBIL	04/29/2011	12/13/2012	8,845.	347.	8,498.
75 SHS JOHNSON AND JOHNSON	04/29/2011	12/13/2012	5,297.	4,162.	1,135.
25 SHS JOHNSON AND JOHNSON	04/29/2011	12/13/2012	1,766.	1,253.	513.
150 SHS ILLINOIS TOOL WORKS	04/29/2011	12/13/2012	9,323.	6,505.	2,818.
75 SHS EMERSON ELECTRIC	04/29/2011	12/13/2012	3,836.	2,174.	1,662.
50 SHS EMERSON ELECTRIC	04/29/2011	12/13/2012	2,557.	1,598.	959.
200 SHS DANAHER	04/29/2011	12/13/2012	10,642.	4,498.	6,144.
75 SHS WAL-MART	04/29/2011	12/13/2012	5,405.	3,953.	1,452.
50 SHS WAL-MART	04/29/2011	12/13/2012	3,603.	2,872.	731.
75 SHS SCHLUMBERGER	04/29/2011	12/13/2012	5,387.	5,975.	-588.
125 SHS YUM BRANDS	04/29/2011	12/13/2012	8,262.	4,444.	3,818.
175 SHS NESTLE SA ADR	04/29/2011	12/13/2012	11,437.	6,470.	4,967.
200 SHS MICROSOFT	04/29/2011	12/13/2012	5,367.	5,854.	-487.
100 SHS MCDONALDS	04/29/2011	12/13/2012	8,961.	2,509.	6,452.
85 SHS PROCTER AND GAMBLE	04/29/2011	12/13/2012	5,972.	3,931.	2,041.
40 SHS PROCTER AND GAMBLE	04/29/2011	12/13/2012	2,810.	1,902.	908.
200 SHS ISHARES RUSSELL 2000 INDEX FUND	04/29/2011	12/13/2012	16,478.	7,551.	8,927.
150 SHS ISHARES S&P MIDCAP 400 INDEX FUND	04/29/2011	12/13/2012	15,144.	11,593.	3,551.
125 SHS PEPSICO	04/29/2011	12/13/2012	8,779.	4,122.	4,657.
25 SHS CHEVRON	04/29/2011	12/13/2012	2,667.	1,676.	991.
100 SHS COCA-COLA	04/29/2011	12/13/2012	3,761.	2,999.	762.
225 SHS COCA-COLA	04/29/2011	12/13/2012	8,463.	5,517.	2,946.
125 SHS ABBOTT LABS	04/29/2011	12/13/2012	8,199.	4,522.	3,677.
75 SHS BECTON DICKINSON	04/29/2011	12/13/2012	5,830.	5,930.	-100.
100 SHS COLGATE PALMOLIVE	04/29/2011	12/13/2012	10,708.	5,337.	5,371.

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

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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 275 SHS ISHARES MSCI EAFE INDEX FUND	04/29/2011	12/13/2012	15,246.	9,151.	6,095.
100 SHS TEVA PHARMA	04/29/2011	12/13/2012	4,249.	5,079.	-830.
125 SHS STRYKER	04/29/2011	12/13/2012	6,834.	5,978.	856.
75 SHS UNITED TECHNOLOGIES	04/29/2011	12/13/2012	6,064.	5,277.	787.
100 SHS NIKE	04/29/2011	12/13/2012	9,873.	5,825.	4,048.
100 SHS AFLAC	04/29/2011	12/13/2012	5,375.	1,230.	4,145.
75 SHS BERKSHIRE HATHAWAY B SHARES	04/29/2011	12/13/2012	6,535.	6,462.	73.
150 SHS AUTO DATA PROCESSING	04/29/2011	12/13/2012	8,631.	6,564.	2,067.
150 SHS ABBVIE	10/29/2011	07/02/2013	6,452.	3,844.	2,608.
475 SHS YUM BRANDS	04/29/2011	02/08/2013	29,142.	16,886.	12,256.
150 SHS ABBVIE	04/29/2011	07/02/2013	6,452.	2,567.	3,885.
100 SHS ABBVIE	04/29/2011	07/02/2013	4,302.	2,069.	2,233.
50 SHS ABBVIE	04/29/2011	07/02/2013	2,151.	1,281.	870.
425 SHS TEVA PHARMA	04/29/2011	08/02/2013	16,775.	21,586.	-4,811.
15000 SHS DUPONT 4.75%	04/29/2011	11/15/2012	15,000.	15,216.	-216.
15000 SHS IBM 4.75%	04/29/2011	11/29/2012	15,000.	14,677.	323.
20000 SHS GENERAL ELECTRIC 5%	04/29/2011	02/01/2013	20,000.	20,403.	-403.
10000 SHS GENERAL ELECTRIC 5%	04/29/2011	02/01/2013	10,000.	10,306.	-306.
15000 SHS WAL-MART 4.55%	04/29/2011	05/01/2013	15,000.	14,843.	157.
CLASS ACTION PROCEEDS	VARIOUS	VARIOUS	24.		24.
CAPITAL CREDITS	VARIOUS	VARIOUS	681.		681.
CAPITAL GAIN DISTRIBUTIONS	VARIOUS	VARIOUS	1,540.		1,540.

6b Total. Combine the amounts in column (f). Enter here and on Schedule D, line 6b . . . . 1,238,286.