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Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

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Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf

2013

Open to Public Inspection

For calendar year 2013 or tax year beginning

, and ending

Name of foundation ANN PEPPERS FOUNDATION C/O PEGINE GRAYSON		A Employer identification number 95-2114455
Number and street (or P.O. box number if mail is not delivered to street address) 625 FAIR OAKS AVENUE	Room/suite 360	B Telephone number 6264415188
City or town, state or province, country, and ZIP or foreign postal code SOUTH PASADENA, CA 91030		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 23,500,726.	J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		501,294.	455,465.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		759,404.			STATEMENT 1
b Gross sales price for all assets on line 6a 4,421,920.					
7 Capital gain net income (from Part IV, line 2)			803,506.		
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)					
11 Other income		11.	0.		STATEMENT 3
12 Total Add lines 1 through 11		1,260,709.	1,258,971.		
13 Compensation of officers, directors, trustees, etc		70,500.	14,100.		52,875.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees STMT 4		10,000.	2,000.		7,500.
c Other professional fees STMT 5		218,794.	43,759.		164,096.
17 Interest					
18 Taxes STMT 6		33,940.	4,289.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings		656.	0.		656.
22 Printing and publications					
23 Other expenses STMT 7		12,685.	0.		0.
24 Total operating and administrative expenses. Add lines 13 through 23		346,575.	64,148.		225,127.
25 Contributions, gifts, grants paid		905,000.			905,000.
26 Total expenses and disbursements. Add lines 24 and 25		1,251,575.	64,148.		1,130,127.
27 Subtract line 26 from line 12		9,134.			
a Excess of revenue over expenses and disbursements					
b Net investment income (if negative, enter -0-)			1,194,823.		
c Adjusted net income (if negative, enter -0-)				N/A	

Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year		End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value	
Assets	1 Cash - non-interest-bearing	15,785.	13,018.	13,018.	
	2 Savings and temporary cash investments	346,419.	110,117.	110,117.	
	3 Accounts receivable ▶ 33,815.				
	Less allowance for doubtful accounts ▶	60,686.	33,815.	33,815.	
	4 Pledges receivable ▶				
	Less allowance for doubtful accounts ▶				
	5 Grants receivable				
	6 Receivables due from officers, directors, trustees, and other disqualified persons				
	7 Other notes and loans receivable ▶				
	Less allowance for doubtful accounts ▶				
	8 Inventories for sale or use				
	9 Prepaid expenses and deferred charges	19,126.	5,254.	5,254.	
	10a Investments - US and state government obligations				
	b Investments - corporate stock STMT 9	14,989,224.	20,351,285.	20,351,285.	
	c Investments - corporate bonds STMT 10	4,721,317.	2,987,237.	2,987,237.	
	11 Investments - land, buildings, and equipment basis ▶				
Liabilities	Less accumulated depreciation ▶				
	12 Investments - mortgage loans				
	13 Investments - other				
	14 Land, buildings, and equipment basis ▶				
	Less accumulated depreciation ▶				
	15 Other assets (describe ▶)				
	16 Total assets (to be completed by all filers - see the instructions Also, see page 1, item 1)	20,152,557.	23,500,726.	23,500,726.	
	17 Accounts payable and accrued expenses	14,172.	19,555.		
	18 Grants payable	490,182.	250,000.		
	19 Deferred revenue				
Net Assets or Fund Balances	20 Loans from officers, directors, trustees, and other disqualified persons				
	21 Mortgages and other notes payable				
	22 Other liabilities (describe ▶ STATEMENT 11)	32,600.	82,433.		
	23 Total liabilities (add lines 17 through 22)	536,954.	351,988.		
	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>				
	and complete lines 24 through 26 and lines 30 and 31.				
	24 Unrestricted				
	25 Temporarily restricted				
	26 Permanently restricted				
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>				
	and complete lines 27 through 31.				
Net Assets or Fund Balances	27 Capital stock, trust principal, or current funds	0.	0.		
	28 Paid-in or capital surplus, or land, bldg, and equipment fund	0.	0.		
	29 Retained earnings, accumulated income, endowment, or other funds	19,615,603.	23,148,738.		
	30 Total net assets or fund balances	19,615,603.	23,148,738.		
	31 Total liabilities and net assets/fund balances	20,152,557.	23,500,726.		

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	19,615,603.
2 Enter amount from Part I, line 27a	2	9,134.
3 Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 8	3	3,524,001.
4 Add lines 1, 2, and 3	4	23,148,738.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	23,148,738.

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	D		
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 4,421,920.		3,618,414.	803,506.
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a			803,506.
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	803,506.
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) If (loss), enter -0- in Part I, line 8	}	3	N/A

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))
2012	971,325.	19,112,974.	.050820
2011	853,259.	15,556,499.	.054849
2010	843,318.	15,252,622.	.055290
2009	788,318.	13,832,414.	.056991
2008	989,621.	17,608,630.	.056201

2 Total of line 1, column (d)	2	.274151
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	.054830
4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5	4	21,514,301.
5 Multiply line 4 by line 3	5	1,179,629.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	11,948.
7 Add lines 5 and 6	7	1,191,577.
8 Enter qualifying distributions from Part XII, line 4	8	1,130,127.

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.

ANN PEPPERS FOUNDATION

Form 990-PF (2013)

C/O PEGINE GRAYSON

95-2114455

Page 4

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

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary-see instructions)		1	23,896.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b			
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2	0.
3 Add lines 1 and 2		3	23,896.
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	23,896.
6 Credits/Payments			
a 2013 estimated tax payments and 2012 overpayment credited to 2013	6a	38,441.	
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	38,441.	
8 Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	14,545.	
11 Enter the amount of line 10 to be Credited to 2014 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ 0. (2) On foundation managers <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ 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		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XIV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> CA		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2013 or the taxable year beginning in 2013 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

Form 990-PF (2013)

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X	
14	The books are in care of ► WHITTIER TRUST COMPANY Telephone no ► (626) 441-5188 Located at ► 625 FAIR OAKS AVE, SUITE 360, SOUTH PASADENA, CA ZIP+4 ► 91030			
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 N/A			
16	At any time during calendar year 2013, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ►	16	Yes	No X

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>	1b	X
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 2013?	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 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013? If "Yes," list the years ►	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)	N/A	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ►	2b	
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If "Yes," did it have excess business holdings in 2013 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 2013.)	N/A	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	3b	
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 2013?	4a	X
	4b	X

Form 990-PF (2013)

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)? ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

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

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 **5c** N/A

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 **6b** X

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No **7b** N/A

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.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 12		70,500.	0.	0.

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

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

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

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

Part IX-A	Summary of Direct Charitable Activities
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Expenses

Part IX-B	Summary of Program-Related Investments
------------------	---

Amount

Total. Add lines 1 through 3	0.
-------------------------------------	----

Form **990-PF** (2013)

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	21,305,230.
b	Average of monthly cash balances	1b	497,606.
c	Fair market value of all other assets	1c	39,094.
d	Total (add lines 1a, b, and c)	1d	21,841,930.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	21,841,930.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	327,629.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	21,514,301.
6	Minimum investment return. Enter 5% of line 5	6	1,075,715.

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	1,075,715.
2a	Tax on investment income for 2013 from Part VI, line 5	2a	23,896.
b	Income tax for 2013 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	23,896.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,051,819.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	1,051,819.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	1,051,819.

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	1,130,127.
b	Program-related investments - total from Part IX-B	1b	0.
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	1,130,127.
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	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,130,127.

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 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7				1,051,819.
2 Undistributed income, if any, as of the end of 2013				
a Enter amount for 2012 only			0.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2013				
a From 2008	116,375.			
b From 2009	103,277.			
c From 2010	93,479.			
d From 2011	91,543.			
e From 2012	55,048.			
f Total of lines 3a through e	459,722.			
4 Qualifying distributions for 2013 from Part XII, line 4 ▶ \$ 1,130,127.				
a Applied to 2012, but not more than line 2a			0.	
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 2013 distributable amount				1,051,819.
e Remaining amount distributed out of corpus	78,308.			
5 Excess distributions carryover applied to 2013 (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	538,030.			
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 2012 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2013 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2014				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2008 not applied on line 5 or line 7	116,375.			
9 Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a	421,655.			
10 Analysis of line 9				
a Excess from 2009	103,277.			
b Excess from 2010	93,479.			
c Excess from 2011	91,543.			
d Excess from 2012	55,048.			
e Excess from 2013	78,308.			

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2013, 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) 2013	(b) 2012	(c) 2011	(d) 2010	
2 a 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))

NONE

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 address of the person to whom applications should be addressed

MARY TRAN , MTRAN@WHITTIERTRUST.COM

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

FOR SUBMISSION GUIDELINES AND FORMAT, PLEASE CONTACT MARY TRAN.

c Any submission deadlines

FOR SUBMISSION GUIDELINES AND FORMAT, PLEASE CONTACT MARY TRAN.

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

GRANTS ARE MADE IN SUPPORT OF EDUCATION, SOCIAL SERVICES AND ARTS IN THE LOS ANGELES COUNTY AREA.

ANN PEPPERS FOUNDATION

Form 990-PF (2013)

C/O PEGINE GRAYSON

95-2114455 Page 11

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
BOYS & GIRLS CLUB OF PASADENA 3230 EAST DEL MAR BOULEVARD PASADENA, CA 91107	NONE	PC	SUPPORT PROJECT LEARN	15,000.
BRaille INSTITUTE OF AMERICA, INC. 741 NORTH VERMONT AVENUE LOS ANGELES, CA 90029	NONE	PC	SUPPORT CREATION OF A NEW OC REGIONAL CENTER IN IRVINE	25,000.
CALIFORNIA LUTHERAN UNIVERSITY 60 WEST OLSEN ROAD THOUSAND OAKS, CA 91360	NONE	PC	ANN PEPPERS FOUNDATION ARTS AND EDUCATIONAL SERIES	25,000.
CHAPMAN UNIVERSITY ONE UNIVERSITY DRIVE ORANGE, CA 92866	NONE	PC	SCHOLARSHIP SUPPORT	25,000.
CLAREMONT SCHOOL OF THEOLOGY 1325 NORTH COLLEGE AVENUE CLAREMONT, CA 91711	NONE	PC	SCHOLARSHIP SUPPORT	10,000.
Total			SEE CONTINUATION SHEET(S) ▶ 3a	905,000.
b Approved for future payment				
NONE				
Total			▶ 3b	0.

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
CONVALESCENT AID SOCIETY 3255 EAST FOOTHILL BOULEVARD PASADENA, CA 91107	NONE	PC	OPERATIONS UPGRADE	10,000.
FULLER THEOLOGICAL SEMINARY 135 NORTH OAKLAND AVENUE PASADENA, CA 91182	NONE	PC	SCHOLARSHIP SUPPORT RESTRICTED TO STUDENTS IN SOUTHERN CALIFORNIA AREA	20,000.
FVO SOLUTIONS, INC. 789 N. FAIR OAKS AVENUE PASADENA, CA 91103	NONE	PC	CREATE CUSTOMIZED EMPLOYMENT SVCS TO BENEFIT THOSE WITH DEVELOPMENTAL DISABILITIES	20,000.
GAMMA ZETA BOULE FOUNDATION P.O. BOX 94833 PASADENA, CA 91109	NONE	PC	LAMP MENTOR PROGRAM	10,000.
GIRL SCOUTS OF GREATER LOS ANGELES 801 S. GRAND AVENUE, SUITE 300 LOS ANGELES, CA 90017	NONE	PC	SUPPORT ANTI-BULLYING PROGRAM	20,000.
HARVEY MUDD COLLEGE 301 PLATT BOULEVARD CLAREMONT, CA 91711	NONE	PC	LECTURE CAPTURE SYSTEMS IN NEW ACADEMIC BUILDING	25,000.
HOUSE RESEARCH INSTITUTE 2100 WEST THIRD STREET LOS ANGELES, CA 90057	NONE	PC	CHILDREN'S CENTER	10,000.
JERICHO ROAD PROJECT, INC. 301 EAST COLORADO BLVD., SUITE 802 PASADENA, CA 91101	NONE	PC	GENERAL OPERATING SUPPORT	5,000.
JEWISH FAMILY SERVICES OF LOS ANGELES 3580 WILSHIRE BLVD., STE. 700 LOS ANGELES, CA 90010	NONE	PC	JFS - HAVEN HOUSE - GENERAL OPERATING SUPPORT	15,000.
JOHN TRACY CLINIC 806 WEST ADAMS BOULEVARD LOS ANGELES, CA 90007	NONE	PC	SUPPORT PRESCHOOL PROGRAM	15,000.
Total from continuation sheets				805,000.

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
JUNIOR BLIND OF AMERICA 5300 ANGELES VISTA BOULEVARD LOS ANGELES, CA 90043	NONE	PC	SUMMER CAMP FOR UNDER PRIVILEGED BLIND CAMPERs	5,000.
KIDSPACE CHILDREN'S MUSEUM 480 NORTH ARROYO BOULEVARD PASADENA, CA 91103	NONE	PC	SUPPORT MUSEUM'S EDUCATIONAL PROGRAMS.	20,000.
KPCC SOUTHERN CALIFORNIA PUBLIC RADIO 474 SOUTH RAYMOND AVENUE PASADENA, CA 91105	NONE	PC	ENVIRONMENTAL REPORTING	10,000.
LOS ANGELES CHILDREN'S CHORUS 585 E. COLORADO BLVD. PASADENA, CA 91101	NONE	PC	GENERAL OPERATING SUPPORT 2012/2013 SEASON	10,000.
MARYMOUNT CALIFORNIA UNIVERSITY 30800 PALOS VERDES DRIVE EAST RANCHO PALOS VERDES, CA 90275	NONE	PC	SCHOLARSHIP SUPPORT	25,000.
A NOISE WITHIN 3352 E. FOOTHILL BLVD. GLENDALE, CA 91107	NONE	PC	SUPPORT EXPANSION OF CLASSICS LIVE! AND STUDENT SCHOLARSHIPS	10,000.
OCCIDENTAL COLLEGE 1600 CAMPUS ROAD, LOS ANGELES, CA 90041	NONE	PC	SCHOLARSHIP SUPPORT	25,000.
ONEONTA CLUB FOUNDATION 1613 CHELSEA ROAD. #853 SAN MARINO, CA 91108	NONE	PC	SCHOLARSHIP SUPPORT	20,000.
PASADENA COMMUNITY FOUNDATION 260 S. LOS ROBLES AVENUE, STE. 119 PASADENA, CA 91101	NONE	PC	60TH ANNIVERSARY ENDOWMENT CAMPAIGN	10,000.
PASADENA CONSERVATORY OF MUSIC 100 NORTH HILL AVENUE PASADENA, CA 91106	NONE	PC	SUPPORT RE-BRANDING AND WEBSITE DESIGN PROJECT.	17,500.
Total from continuation sheets				

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
THE PASADENA PLAYHOUSE STATE THEATRE OF CALIFORNIA 600 PLAYHOUSE ALLEY, SUITE 300 PASADENA, CA 91101	NONE	PC	2013/2014 OUTREACH & EDUCATION PROGRAM	10,000.
THE PASADENA SYMPHONY 2 N. LAKE AVENUE, SUITE 1080 PASADENA, CA 91101	NONE	PC	GENERAL OPERATING SUPPORT	20,000.
ST. JUDE MEDICAL CENTER 1440 NORTH HARBOR BOULEVARD SUITE 200 FULLERTON, CA 92835	NONE	PC	FUNDS FOR EQUIPMENT AND TECHNOLOGY IN ST. JUDE'S NORTHWEST PATIENT TOWER	50,000.
THOMAS AQUINAS COLLEGE 10000 NORTH OJAI ROAD SANTA PAULA, CA 93060	NONE	PC	SCHOLARSHIP SUPPORT	12,500.
UNION STATION HOMELESS SERVICES 825 EAST ORANGE GROVE BOULEVARD PASADENA, CA 91104	NONE	PC	GENERAL SUPPORT	25,000.
UNIVERSITY OF LA VERNE 1950 THIRD STREET LA VERNE, CA 91750	NONE	PC	SCHOLARSHIP SUPPORT	15,000.
UNIVERSITY OF REDLANDS PO BOX 3080 REDLANDS, CA 92373	NONE	PC	ANN PEPPERS ART EDUCATION CENTER	250,000.
USC PACIFIC ASIA MUSEUM 46 NORTH LOS ROBLES AVENUE PASADENA, CA 91101	NONE	PC	SUPPORT EDUCATION & COMMUNITY ACCESS PROGRAMS	10,000.
VILLA ESPERANZA SERVICES 2060 EAST VILLA STREET PASADENA, CA 91107	NONE	PC	GENERAL OPERATING SUPPORT	20,000.
WESTERN JUSTICE CENTER FOUNDATION 55 SOUTH GRAND AVENUE PASADENA, CA 91105	NONE	PC	SAFE SCHOOLS SOCIAL NETWORK PROGRAM	25,000.
Total from continuation sheets				

3 Grants and Contributions Paid During the Year (Continuation)

Total from continuation sheets

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 1

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD	
PUBLICLY TRADED SECURITIES				
(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
4,421,920.	3,662,516.	0.	0.	759,404.
CAPITAL GAINS DIVIDENDS FROM PART IV				0.
TOTAL TO FORM 990-PF, PART I, LINE 6A				759,404.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
WHITTIER TRUST COMPANY	501,294.	0.	501,294.	455,465.	
TO PART I, LINE 4	501,294.	0.	501,294.	455,465.	

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
OTHER INCOME	11.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	11.	0.	

FORM 990-PF	ACCOUNTING FEES			STATEMENT	4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
ACCOUNTING FEES	10,000.	2,000.		7,500.	
TO FORM 990-PF, PG 1, LN 16B	10,000.	2,000.		7,500.	

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FIDUCIARY FEES	218,794.	43,759.		164,096.	
TO FORM 990-PF, PG 1, LN 16C	218,794.	43,759.		164,096.	

FORM 990-PF	TAXES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FEDERAL EXCISE TAX	29,651.	0.		0.	
FOREIGN TAXES	4,289.	4,289.		0.	
TO FORM 990-PF, PG 1, LN 18	33,940.	4,289.		0.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
INSURANCE	2,498.	0.		0.	
MISCELLANEOUS	189.	0.		0.	
GRANT DISCOUNT EXPENSE	9,818.	0.		0.	
FILING FEE	180.	0.		0.	
TO FORM 990-PF, PG 1, LN 23	12,685.	0.		0.	

FORM 990-PF	OTHER INCREASES IN NET ASSETS OR FUND BALANCES	STATEMENT	8
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DESCRIPTION	AMOUNT
UNREALIZED GAINS	3,274,001.
PORTION OF MULTI-YEAR PLEDGE PAID IN 2013	250,000.
TOTAL TO FORM 990-PF, PART III, LINE 3	3,524,001.

FORM 990-PF	CORPORATE STOCK	STATEMENT	9
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCKS/SECURITIES	20,351,285.	20,351,285.
TOTAL TO FORM 990-PF, PART II, LINE 10B	20,351,285.	20,351,285.

FORM 990-PF	CORPORATE BONDS	STATEMENT	10
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS	2,987,237.	2,987,237.
TOTAL TO FORM 990-PF, PART II, LINE 10C	2,987,237.	2,987,237.

FORM 990-PF	OTHER LIABILITIES	STATEMENT	11
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DESCRIPTION	BOY AMOUNT	EOY AMOUNT
DEFERRED EXCISE TAX	32,600.	82,433.
TOTAL TO FORM 990-PF, PART II, LINE 22	32,600.	82,433.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS STATEMENT 12
 TRUSTEES AND FOUNDATION MANAGERS

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN EXPENSE CONTRIB ACCOUNT	
PHILIP V. SWAN 625 FAIR OAKS DRIVE, SUITE 360 SOUTH PASADENA, CA 91030	PRESIDENT 2.00	18,000.	0.	0.
H. ROSS MACMICHAEL 625 FAIR OAKS DRIVE, SUITE 360 SOUTH PASADENA, CA 91030	VICE PRESIDENT 2.00	18,000.	0.	0.
PHILIP A. SWAN 625 FAIR OAKS DRIVE, SUITE 360 SOUTH PASADENA, CA 91030	TREASURER (STARTING MAY 2013) 2.00	9,000.	0.	0.
HOWARD O. WILSON 625 FAIR OAKS DRIVE, SUITE 360 SOUTH PASADENA, CA 91030	TREASURER (UNTIL MAY 2013) 2.00	7,500.	0.	0.
PEGINE GRAYSON 625 FAIR OAKS DRIVE, SUITE 360 SOUTH PASADENA, CA 91030	SECRETARY 2.00	0.	0.	0.
JENNIFER DEVOLL 625 FAIR OAKS DRIVE, SUITE 360 SOUTH PASADENA, CA 91030	DIRECTOR 2.00	18,000.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		70,500.	0.	0.

Summary of Assets

	Percent of Market	Investment Cost Basis	Total Market Value	Est. Annual Income	Current Yield
CASH	.06	13,017.98	13,017.98		
CASH EQUIVALENTS					
MISC CASH EQUIV-TAXABLE	47	110,116.68	110,116.68	0	0.00
TOTAL CASH EQUIVALENTS	.47	110,116.68	110,116.68	0	0.00
FIXED INCOME SECURITIES					
MUNICIPAL BONDS&NOTES TAXABLE	2.17	500,073.67	508,515.00	16,239	3.19
CORPORATE BONDS & NOTES	8.43	1,962,036.85	1,977,260.37	60,199	3.04
MUTUAL FUND-TAXABLE BOND	2.14	500,000.00	501,461.98	21,345	4.26
FIXED INCOME TAXABLE	4.64	1,054,296.68	1,087,879.22	32,009	2.94
PREFERRED STOCK	2.84	648,094.76	666,936.38	41,393	6.21
FOREIGN TAXABLE FIXED INCOME	.39	101,720.00	92,040.00	3,302	3.59
TOTAL FIXED INCOME SECURITIES	20.60	4,766,221.96	4,834,092.95	174,487	3.61
ALTERNATIVES					
ALTERNATIVE-PUBLIC	.55	96,520.16	129,120.00	5,582	4.32
TOTAL ALTERNATIVES	.55	96,520.16	129,120.00	5,582	4.32
EQUITIES					
US LARGE CAP EQUITIES	67.81	10,822,648.35	15,909,216.62	304,925	1.92
US SMALL AND MID-CAP EQUITIES	4.49	663,078.30	1,053,035.44	17,435	1.66
FOREIGN EQUITIES	6.02	1,298,140.38	1,412,577.65	41,107	2.91
TOTAL EQUITIES	78.32	12,783,867.03	18,374,829.71	363,467	1.98
GRAND TOTAL	100.00	17,769,743.81	23,461,177.32	543,536	2.32

Review of Assets

Shares or Par Value		Unit Market	Investment Cost Basis	Total Market Value	Est. Annual Income	Current Yield
	CASH		13,017.98	13,017.98		
	CASH EQUIVALENTS					
	MISC CASH EQUIV-TAXABLE					
110,116.68	BLACKROCK TREAS		110,116.68	110,116.68	0	0.00
	TOTAL CASH EQUIVALENTS		110,116.68	110,116.68	0	0.00
	FIXED INCOME SECURITIES					
	MUNICIPAL BONDS&NOTES TAXABLE					
100,000	IRVINE CA UNI SCH DIST 4.381% DUE 9/1/15	101.519	100,000.00	101,519.00	4,381	4.32
200,000	WASHINGTON ST ECON DEV 3.7% DUE 10/01/2016	102.598	199,399.42	205,196.00	7,400	3.61
200,000	WSTRN CO ST CLG BRD OF TRSTE 2.229% DUE 05/15/15	100.900	200,674.25	201,800.00	4,458	2.21
	TOTAL MUNICIPAL BONDS&NOTES TAXABLE		500,073.67	508,515.00	16,239	3.19
	CORPORATE BONDS & NOTES					
103.74	FHLMC 10.5 1/1/21	107.617	114.52	111.64	11	9.76
1,585.63	FH 1761 K PAC FIX 8.500% 11/15/2024	117.427	1,708.50	1,861.96	135	7.24
101.48	FHLMC 10.5 6/1/19	111.676	110.58	113.33	11	9.40
82.59	FHMA 9.50 8/1/19	111.942	86.50	92.45	8	8.49
859.10	FNMA 6.0 6/1/16	103.993	860.05	893.40	52	5.77
1,367.26	FNMA 6.0 11/1/16	103.777	1,375.60	1,418.90	82	5.78
1,419.34	FNMA 5.5 5/1/17	106.863	1,406.92	1,516.75	78	5.15
12.78	GNMA II 9.5 2/20/20	100.489	13.65	12.84	1	9.45
20,000	GENERAL ELEC CAP CORP MTN BE MTNF 6.750% 3/15/32	123.831	19,835.80	24,766.20	1,350	5.45
150,000	GENERAL ELEC CAP CORP MTN BE MTNF 2.900% 1/09/17	104.397	149,846.58	156,595.50	4,350	2.78

Review of Assets

Shares or Par Value		Unit Market	Investment Cost Basis	Total Market Value	Est. Annual Income	Current Yield
300,000	GOLDMAN SACHS GRP INC MTN BE MTNF 6 000% 5/01/14	101 786	304,263 69	305,358 00	18,000	5 89
200,000	HEWLETT PACKARD CO NOTE 4 375% 9/15/21	101 823	202,352 60	203,646 00	8,750	4 30
250,000	J P MORGAN CHASE & CO MTN BE MTNF 1 875% 3/20/15	101 352	249,911 19	253,380 00	4,688	1 85
250,000	JPMORGAN CHASE & CO NOTE 5 250% 5/01/15	105 546	258,765 81	263,865 00	13,125	4 97
320,000	MORGAN 3 75 5-1-14	99 902	319,885 66	319,686 40	1,808	0 57
200,000	PETROBRAS INTL FIN CO NOTE 3 875% 1/27/16	102 946	203,559 20	205,892 00	7,750	3 76
230,000	SOUTHERN CALIF EDISON CO PRFD 6 250%12/29/99	103 500	247,940 00	238,050 00	0	0 00
TOTAL CORPORATE BONDS & NOTES			1,962,036.85	1,977,260.37	60,199	3.04
MUTUAL FUND-TAXABLE BOND						
48,732 943	ROWE T PRICE INSTL INCOME FD FLTG RATE FD	10 290	500,000 00	501,461 98	21,345	4 26
FIXED INCOME TAXABLE						
3,815	ISHARES INVEST GRADE CORP BONDS	114 188	400,418 68	435,627 22	16,694	3 83
4,480	PIMCO ETF TR ENHAN SHRT MAT	101 320	453,779 20	453,913 60	3,315	0 73
4,890	ETF HIGH YIELD BONDS	40 560	200,098 80	198,338 40	12,000	6 05
TOTAL FIXED INCOME TAXABLE			1,054,296.68	1,087,879.22	32,009	2.94
PREFERRED STOCK						
7,987	CITIGROUP INC DEP SHS 1/1000 J	25 940	199,993 96	207,182 78	14,225	6 87
9,280	US BANCORP DEL DEP SHS REP G	27 370	248,100 80	253,993 60	13,920	5 48
8,000	WELLS FARGO & CO NEW DEP 1/1000 PFD A	25 720	200,000 00	205,760 00	13,248	6 44
TOTAL PREFERRED STOCK			648,094.76	666,936.38	41,393	6.21

Review of Assets

Shares or Par Value		Unit Market	Investment Cost Basis	Total Market Value	Est. Annual Income	Current Yield
FOREIGN TAXABLE FIXED INCOME						
2,000	WISDOMTREE TR EM LCL DEBT FD	46 020	101,720 00	92,040 00	3,302	3 59
	TOTAL FIXED INCOME SECURITIES		4,766,221.96	4,834,092 95	174,487	3.61
ALTERNATIVES						
ALTERNATIVE-PUBLIC						
2,000	VANGUARD INDEX FDS REIT ETF	64 560	96,520 16	129,120 00	5,582	4 32
	TOTAL ALTERNATIVES		96,520.16	129,120.00	5,582	4.32
EQUITIES						
US LARGE CAP EQUITIES						
3,765	ACE LTD SHS	103 530	266,576 64	389,790 45	9,488	2 43
6,884	AT&T INC	35 160	220,991 33	242,041 44	12,667	5 23
5,002	ABBOTT LABS	38 330	128,433 92	191,726 66	4,402	2 30
5,002	ABBVIE INC	52 810	139,275 62	264,155 62	8,003	3 03
1,022	AMAZON COM INC	398 790	205,840 89	407,563 38	0	0 00
3,765	AMERICAN ELEC PWR INC	46 740	161,344 93	175,976 10	7,530	4 28
5,109	AMERICAN EXPRESS CO	90 730	272,638 75	463,539 57	4,700	1 01
2,743	AMERICAN TOWER CORP NEW	79 820	197,837 28	218,946 26	3,182	1 45
2,689	APACHE CORP	85 940	188,690 41	231,092 66	2,151	0 93
1,076	APPLE COMPUTER INC	561 020	191,971 46	603,657 52	13,127	2 17
1	BERKSHIRE HATHAWAY INC DEL CL A	177900 000	120,312 02	177,900 00	0	0 00
484	BLACKROCK INC CL A	316 470	114,472 10	153,171 48	3,252	2 12
2,474	CVS CORP	71 570	111,626 88	177,064 18	2,721	1 54
4,087	CATERPILLAR INC DEL	90 810	348,954 33	371,140 47	9,809	2 64
3,496	CHEVRON CORP	124 910	149,766 28	436,685 36	13,984	3 20

Review of Assets

Shares or Par Value		Unit Market	Investment Cost Basis	Total Market Value	Est. Annual Income	Current Yield
4,840	CITIGROUP INC COM NEW	52 110	242,832 00	252,212 40	194	0 08
4,840	COCA COLA CO	41 310	176,404 92	199,940 40	5,421	2 71
4,303	DU PONT E I DE NEMOURS & CO	64 970	191,576 36	279,565 91	7,745	2 77
3,926	EMERSON ELEC CO	70 180	202,653 55	275,526 68	6,753	2 45
5,109	EXXON MOBIL CORP	101 200	405,703 44	517,030 80	12,875	2 49
17,587	FORD MOTOR COMPANY	15 430	170,250 70	271,367 41	7,035	2 59
5,432	GILEAD SCIENCES INC	75 100	155,296 09	407,943 20	0	0 00
323	GOOGLE INC CL A	1120 710	179,088 72	361,989 33	0	0 00
3,496	HONEYWELL INTL INC	91 370	207,782 41	319,429 52	6,293	1 97
1,183	INTERNATIONAL BUSINESS MACHS	187 570	239,173 85	221,895 31	4,495	2 03
4,500	ISHARES RUSSELL 1000 VALUE	94 170	340,858 80	423,765 00	8,258	1 95
4,500	ISHARES RUSSELL 1000 GROWTH	85 950	252,370 35	386,775 00	4,986	1 29
10,165	J P MORGAN CHASE & CO	58 480	331,060 06	594,449 20	15,451	2 60
2,689	JOHNSON & JOHNSON	91 590	173,680 21	246,285 51	7,099	2 88
5,378	LORILLARD INC	50 680	264,756 25	272,557 04	11,832	4 34
3,335	LOWE'S COS	49 550	164,377 15	165,249 25	2,401	1 45
2,582	MCKESSON CORP	161 400	139,839 97	416,734 80	2,479	0 59
11,025	MONDELEZ INTL INC CL A	35 300	318,117 23	389,182 50	6,174	1 59
6,024	MYLAN INC	43 400	169,854 07	261,441 60	0	0 00
4,948	NIKE INC CL B	78 640	271,694 66	389,110 72	4,750	1 22
3,980	NORFOLK SOUTHERN CORP	92 830	342,841 98	369,463 40	8,278	2 24
9,412	ORACLE CORP	38 260	217,485 02	360,103 12	4,518	1 25
4,087	PAYCHEX INC	45 530	174,304 42	186,081 11	5,722	3 07
10,380	PFIZER INC	30 630	284,330 09	317,939 40	10,795	3 40
3,980	PROCTER & GAMBLE CO	81 410	268,648 87	324,011 80	9,576	2 96

Review of Assets

Shares or Par Value		Unit Market	Investment Cost Basis	Total Market Value	Est. Annual Income	Current Yield
2,904	QUALCOMM INC	74 250	170,536 20	215,622 00	4,066	1 89
3,496	SCHLUMBERGER LTD	90 110	127,290 98	315,024 56	4,370	1 39
4,303	STARBUCKS CORP	78 390	230,974 25	337,312 17	4,475	1 33
2,528	3M CO	140 250	216,879 83	354,552 00	8,646	2 44
4,195	TIME WARNER INC COM NEW	69 720	184,772 46	292,475 40	4,824	1 65
5,000	VANGUARD INDEX FDS LARGE CAP ETF	84 800	253,761 50	424,000 00	7,440	1 75
1,829	VISA INC COM CL A	222 680	259,161 70	407,281 72	2,926	0 72
2,044	WAL MART STORES INC	78 690	153,851 88	160,842 36	3,843	2 39
1,291	WELLPOINT INC	92 390	85,146 58	119,275 49	1,937	1 62
8,874	WELLS FARGO & CO NEW	45 400	300,732 70	402,879 60	10,649	2 64
3,603	XILINX INC	45 920	135,826 26	165,449 76	3,603	2 18
	TOTAL US LARGE CAP EQUITIES		10,822,648.35	15,909,216.62	304,925	1.92
	US SMALL AND MID-CAP EQUITIES					
4,894	AMERICAN WTR WKS CO INC NEW	42 260	165,300 15	206,820 44	5,481	2 65
1,500	ISHARES S&P SMALL CAP 600	109 130	61,046 55	163,695 00	1,640	1 00
1,200	MIDCAP SPDR TR UNIT SER 1	244 200	177,852 00	293,040 00	3,126	1 07
4,000	VANGUARD INDEX FDS SM CP VAL ETF	97 370	258,879 60	389,480 00	7,188	1 85
	TOTAL US SMALL AND MID-CAP EQUITIES		663,078.30	1,053,035.44	17,435	1.66
	FOREIGN EQUITIES					
2,635	BHP BILLITON LTD SPONSORED ADR	68 200	194,101 14	179,707 00	6,113	3 40
3,000	ISHARES MSCI EAFE INDEX FUND	67 095	218,044 00	201,285 00	5,109	2 54
6,000	NESTLE S A SPONSORED ADR	73 590	300,802 80	441,540 00	10,896	2 47
3,000	SPDR INDEX SHS FDS DJ INTL RL ETF	41 200	111,172 44	123,600 00	5,607	4 54
9,215	VANGUARD EMERGING MARKET EQUITY ETF	41 140	374,115 60	379,105 10	10,367	2 73

Review of Assets

Shares or Par Value		Unit Market	Investment Cost Basis	Total Market Value	Est. Annual Income	Current Yield
1,895	WISDOMTREE TR EMG MKTS SMCAP	46 090	99,904 40	87,340 55	3,015	3 45
	TOTAL FOREIGN EQUITIES		1,298,140.38	1,412,577.65	41,107	2.91
	TOTAL EQUITIES		12,783,867.03	18,374,829.71	363,467	1.98
	GRAND TOTAL		17,769,743.81	23,461,177.32	543,536	2.32