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

OMB No 1545-0052

Form **990-PF**

2012

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

For calendar year 2012 or tax year beginning , and ending

Name of foundation THE FUND FOR DEMOCRATIC COMMUNITIES		A Employer identification number 26-0344869
Number and street (or P O box number if mail is not delivered to street address) 712 SOUTH ELAM AVE.		B Telephone number (see instructions) 336-617-5329
City or town, state, and ZIP code GREENSBORO NC 27403		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return, <input type="checkbox"/> Final return, <input type="checkbox"/> Address change, <input type="checkbox"/> Initial return of a former public charity, <input type="checkbox"/> Amended return, <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) \$ 7,975,284	J Accounting method: <input checked="" type="checkbox"/> Cash, <input 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		(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)	848,712			
	2 Check <input type="checkbox"/> if the foundation is not required to attach Schedule B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	83,403	83,403	83,403	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	142,503			
	b Gross sales price for all assets on line 6a	142,503			
	7 Capital gain net income (from Part IV, line 2)		142,503		
	8 Net short-term capital gain			34,685	
	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		1,074,618	225,906	118,088	
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	92,000			92,000
	14 Other employee salaries and wages	137,942			137,942
	15 Pension plans, employee benefits	19,156			19,156
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) Stmt 1	1,100			1,100
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see instructions) Stmt 2	5,501			
	19 Depreciation (attach schedule) and depletion Stmt 3	7,275			
	20 Occupancy	13,023			13,023
21 Travel, conferences, and meetings	53,784			53,784	
22 Printing and publications	2,352			2,352	
23 Other expenses (att sch) Stmt 4 Stmt 5	67,688	36,053	36,053	30,453	
24 Total operating and administrative expenses. Add lines 13 through 23		399,821	36,053	36,053	349,810
25 Contributions, gifts, grants paid	226,096				226,096
26 Total expenses and disbursements. Add lines 24 and 25		625,917	36,053	36,053	575,906
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements		448,701			
b Net investment income (if negative, enter -0-)			189,853		
c Adjusted net income (if negative, enter -0-)				82,035	

For Paperwork Reduction Act Notice, see instructions.

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Part II	Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash – non-interest-bearing	50,405	170,116	170,116
	2	Savings and temporary cash investments	6,729,612	7,789,109	7,789,109
	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 (att schedule) ▶ Less allowance for doubtful accounts ▶	0		
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments – U S and state government obligations (attach schedule)			
	b	Investments – corporate stock (attach schedule)			
	c	Investments – corporate bonds (attach schedule)			
	11	Investments – land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶			
	12	Investments – mortgage loans			
	13	Investments – other (attach schedule)			
	14	Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶ Stmt 6	50,667 34,608	15,062	16,059
15	Other assets (describe ▶)				
16	Total assets (to be completed by all filers – see the instructions Also, see page 1, item I)		6,795,079	7,975,284	7,975,284
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 ▶ See Statement 7)		2,313	3,938
23	Total liabilities (add lines 17 through 22)		2,313	3,938	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ <input checked="" type="checkbox"/>				
	24	Unrestricted	6,792,766	7,971,346	
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input type="checkbox"/>				
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
30	Total net assets or fund balances (see instructions)		6,792,766	7,971,346	
31	Total liabilities and net assets/fund balances (see instructions)		6,795,079	7,975,284	

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	6,792,766
2	Enter amount from Part I, line 27a	2	448,701
3	Other increases not included in line 2 (itemize) ▶ See Statement 8	3	729,879
4	Add lines 1, 2, and 3	4	7,971,346
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	7,971,346

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	ST CAPITAL GAIN DISTRIBUTIONS	P	Various	Various
b	VARIOUS MUTUAL FUND DISTR			
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 34,685			34,685
b 107,818			107,818
c			
d			
e			

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

(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	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a			34,685
b			107,818
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	142,503
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	34,685

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	381,194	6,689,761	0.056982
2010	292,380	356,981	0.819035
2009	251,092	402,139	0.624391
2008	146,520	215,076	0.681248
2007	2,262	22,377	0.101086

2 Total of line 1, column (d)	2	2.282742
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	0.456548
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	7,615,871
5 Multiply line 4 by line 3	5	3,477,011
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,899
7 Add lines 5 and 6	7	3,478,910
8 Enter qualifying distributions from Part XII, line 4 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	8	575,906

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	3,797
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	3,797
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	3,797
6	Credits/Payments		
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	2,300
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	2,300
8	Enter any penalty for underpayment of estimated tax Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	19
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	1,516
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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? If the answer is "Yes" to 1a or 1b , attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation \$ _____ (2) On foundation managers \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either ● By language in the governing instrument, or ● By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) NC		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV	X	
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

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 ▶ www.f4dc.org	13	X	
14	The books are in care of ▶ MARNIE THOMPSON 712 SOUTH ELAM AVE. Located at ▶ GREENSBORO NC ZIP+4 ▶ 27403 Telephone no ▶ 336-275-1781			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 – Check here and enter the amount of tax-exempt interest received or accrued during the year	15		<input type="checkbox"/>
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ▶	16	Yes	No X

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input 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 2012? N/A	1c	
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ 20 , 20 , 20 , 20		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement – see instructions) N/A	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20 , 20 , 20 , 20		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2012 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012) N/A	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)? **N/A** **5b**

Organizations relying on a current notice regarding disaster assistance check here **▶**

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? **N/A** 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** **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? **N/A** **7b**

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
MARNIE THOMPSON 620 SOUTH ELM STREET STE 35 GREENSBORO NC 27403	CO-MNGNG DIR 20.00	44,000	0	0
ED WHITFIELD 620 SOUTH ELM STREET STE 35 GREENSBORO NC 27403	CO-MNGNG DIR 32.00	48,000	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 **▶** **0**

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

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

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 PROMOTION OF GRASSROOTS DEMOCRACY -- GRANT MAKING, COMMUNITY DISCUSSIONS, YOUTH GROUPS, ETC.	575,906
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3 ▶	

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	7,642,025
b	Average of monthly cash balances	1b	89,824
c	Fair market value of all other assets (see instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	7,731,849
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	7,731,849
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	115,978
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	7,615,871
6	Minimum investment return. Enter 5% of line 5	6	380,794

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

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	575,906
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	575,906
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	575,906

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				
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2012				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f Total of lines 3a through e				
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ <u>575,906</u>				
a Applied to 2011, but not more than line 2a				
b Applied to undistributed income of prior years (Election required – see instructions)				
c Treated as distributions out of corpus (Election required – see instructions)				
d Applied to 2012 distributable amount				
e Remaining amount distributed out of corpus	575,906			
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:	575,906			
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				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

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

1a	If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling				06/05/07
b	Check box to indicate whether the foundation is a private operating foundation described in section <input checked="" type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)				
2a	Tax year	Prior 3 years			(e) Total
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	
	82,035	57,166	21	803	140,025
b	69,730	48,591	18	683	119,022
c	575,906	381,194	292,380	251,100	1,500,580
d	226,096	193,658	145,578	63,800	629,132
e	349,810	187,536	146,802	187,300	871,448
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				
	253,863	222,992	11,899	13,405	502,159
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
GRANT PROPOSALS/F4DC 336-617-5329
712 SOUTH ELAM AVE. GREENSBORO NC 27403

b The form in which applications should be submitted and information and materials they should include
See Statement 9

c Any submission deadlines
See Statement 10

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors
See Statement 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 SEE ATTACHED				226,096
Total			▶ 3a	226,096
b Approved for future payment N/A				
Total			▶ 3b	

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					
4 Dividends and interest from securities					83,403
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					142,503
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)		0		0	225,906
13 Total. Add line 12, columns (b), (d), and (e)				13	225,906

(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)
N/A	

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

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

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. Row 1 contains '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 [X] No

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. Row 1 contains 'N/A'.

Sign Here: Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. Signature: [Signature], Date: 9/6/13, Title: PRESIDENT.

Paid Preparer Use Only: Print/Type preparer's name: CHUCK AVERRE, Preparer's signature: CHUCK AVERRE, Date: 09/06/13, Firm's name: Hollingsworth Avent Averre & Purvis, PA, PTIN: P00280366, Firm's address: 200 W. Millbrook Road, Raleigh, NC 27609, Firm's EIN: 56-2119415, Phone no: 919-848-4100.

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

Schedule of Contributors

OMB No 1545-0047

2012

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

Name of the organization

Employer identification number

THE FUND FOR DEMOCRATIC COMMUNITIES

26-0344869

Organization type (check one)

Filers of:

Section:

Form 990 or 990-EZ

501(c)() (enter number) organization

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

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

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

501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

- For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33¹/₃ % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use exclusively for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.

▶ \$

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

For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2012)

Name of organization THE FUND FOR DEMOCRATIC COMMUNITIES	Employer identification number 26-0344869
--	---

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	W HAYDEN THOMPSON ESTATE WILLIAM H THOMPSON, EXECUTOR 22901 AURORA ROAD P O BOX 46730 BEDFORD HEIGHTS OH 44146	\$ 848,712	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

F4DC Grantees 2012

Grantee	Address	Purpose	Amount	Date Awarded
Beloved Community Center	475 Arlington Street, Greensboro, NC 27406	Gil Barber Healing the Hurt project	\$361.00	1/12/2012
All of US NC	c/o SONG, 250 Georgia Ave, Suite 315, Atlanta, GA 30312	T-shirts for HK on J march	\$1,220.12	2/2/2012
Occupy Wall Street	118A Fulton St. #205, New York, NY 10038	1/9/12	\$693.80	2/28/2012
YWCA	4002 Spring Garden St Greensboro, NC 27407	General operating support	\$8,589.00	3/5/2012
Participatory Budgeting Project	55 Washington St. Suite 724, Brooklyn, NY 11201	Sponsorship of Internat'l PB Conference 3/30/12	\$500.00	3/16/2012
PB Greensboro	27403	NC attendees at PB Conference in Chicago	\$360.00	3/26/2012
Project South	9 Gammon Avenue Atlanta GA 30315	General operating support	\$120,000.00	3/30/2012
Cooperatives	PO Box 170701, San Francisco, CA 94117-0701	Sponsorship of USFWC Conference June 2012	\$2,000.00	3/30/2012
OGSO Foreclosure Working Group	27403	Scanners for mortgage fraud project	\$372.60	4/10/2012
Alliance for a Just Society	3518 South Edmunds St Seattle WA 98118	IPP Conference in Seattle	\$605.00	4/16/2012
Cooperation Works!	29630 - 109th Avenue North, Hanover, MN 55341	2012	\$250.00	4/16/2012
Just Economics of Western NC	PO Box 2396 Asheville NC 28802	General operating support	\$1,532.00	4/16/2012
Interactive Resource Center	3115 East Bessemer Avenue Greensboro NC 27405	General operating support	\$10,000.00	5/4/2012
Black Workers for Justice	P O. Box 1863, Rocky Mount, NC 27802	29th Annual MLK Banquet	\$750.00	5/8/2012
UNCG Conflict & Peace Studies	127 McIver Street, Greensboro, NC 27402	20 Tickets to Noam Chomsky @ UNCG 6 2.12	\$300.00	5/21/2012
USFWC Conference	27403	Boston	\$4,789.20	6/14/2012
Christ	400 West Radiance Drive, Greensboro, NC 27403	"We Are" Campaign	\$665.00	6/20/2012
NFWM Youth & Young Adult Network	438 North Skinker Boulevard, St Louis, MO 63130	General operating support	\$5,000.00	7/10/2012
Federation of Southern Cooperatives	2769 Church Street, East Point, GA 30344	General operating support	\$10,000.00	7/17/2012
UNCG Sustainability Committee	800 Oakland Ave. Greensboro, NC 27402	Series	\$250.00	8/17/2012
Interactive Resource Center	3115 East Bessemer Avenue, Greensboro, NC 27405	IRC Staff development in grassroots fundraising	\$2,715.68	8/22/2012
Southerners on New Ground	250 Georgia Ave, Suite 315, Atlanta, GA 30312	Capacity building & general operating support	\$5,748.50	9/24/2012
Cooperatives	PO Box 170701, San Francisco, CA 94117-0701	RCDG Match general operating support	\$2,500.00	10/26/2012
El Kilombo Intergalactico	NC	General operating support	\$5,000.00	11/1/2012
Carolina Common Enterprise	P O. Box 151, Hendersonville, NC 28793-0151	RCDG Match general operating support	\$5,000.00	12/7/2012
Hispanic Liaison of Chatham County	105 E 2nd Street, Siler City, NC 27344	General operating support	\$4,045.54	12/18/2012
Cooperation Texas	5604 Manor Road, Austin, TX 78723	General operating support	\$10,000.00	12/19/2012
Southerners on New Ground	250 Georgia Ave, Suite 315, Atlanta, GA 30312	Capacity building & general operating support	\$6,825.83	12/19/2012
Spirit House	PO Box 61865, Durham, NC 27715	General operating support	\$4,623.35	12/19/2012
Student Action for Farmworkers	1317 W Pettigrew Street, Durham, NC 27705	General operating support	\$4,998.88	12/19/2012
Renaissance Community Co-op	PO Box 13531, Greensboro, NC 27415	Market Study for Bessemer Center location	\$1,400.00	12/21/2012
Abundance Foundation	220 Lorax Lane, Box 5, Pittsboro, NC 27312	Slow Money NC general operating support	\$5,000.00	12/21/2012
		Total 2012 Grants & Sponsorships	\$226,095.50	

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Indirect Accounting Fees	\$ 1,100	\$ 0	\$ 0	\$ 1,100
Total	\$ 1,100	\$ 0	\$ 0	\$ 1,100

Statement 2 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Indirect Taxes/Licenses	\$ 5,501	\$ 0	\$ 0	\$ 0
Total	\$ 5,501	\$ 0	\$ 0	\$ 0

Statement 3 - Form 990-PF, Part I, Line 19 - Depreciation

Date Acquired	Description	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
10/19/07	APPLE MACBOOK PRO 17"	4,664	4,343	200DB	5	321	\$	\$
10/19/07	WESTERN DIGITAL 250 GB MYBOOK PRO	171	159	200DB	5	12		
1/10/08	DESK, HUTCH, CHAIR, CABINET, BKCASE, DSKTOP	1,143	786	200DB	7	102		
5/01/08	SMALL DESK, TABLE	50	34	200DB	7	5		
10/02/08	LEATHER OFFICE CHAIR	128	88	200DB	7	12		
1/14/08	HP LASERJET PRINTER	419	347	200DB	5	48		
2/01/08	1 COMPAC PRESARIO LAPTOPS	1,065	881	200DB	5	122		
2/01/08	500 GB EXTERNAL DRIVE	145	120	200DB	5	17		

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Federal Statements

Statement 3 - Form 990-PF, Part I, Line 19 - Depreciation (continued)

Date		Description		Cost	Prior Year	Method	Life	Current Year	Net Investment	Adjusted Net
Acquired		Basis			Depreciation			Depreciation	Income	Income
			LINKSYS NAS200 NETWRK STORAGE SYSTEM							
2/23/08	\$	241	\$	199	200DB	5	\$	28	\$	\$
			BH 500 COPIER							
6/02/08		9,599		7,940	200DB	5		1,106		
			TELEPHONE							
4/26/08		53		44	200DB	5		6		
			2 DRAWER FILE CABINET							
9/10/08		60		50	200DB	7		3		
			ADOBE CS3 DESIGN PREM							
10/19/07		1,896		1,896		3				
			MS WINDOWS XP							
10/19/07		298		298		3				
			GOTHAM ROUNDED MAC LICENSE (2)							
1/05/08		576		576		3				
			quickbooks pro MAC; office							
4/09/08		101		101		3				
			QBOOKS 2010 MAC UPDATE							
7/03/10		25		19		3		4		
			CS4 UPGRADE FOR MAC							
9/29/10		136		136		3				
			MACBOOK AIR							
8/02/11		1,947		1,947	200DB	5				
			REFURB COMPAQ LAPTOP							
8/31/11		225		225	200DB	5				
			REFURB COMPAQ LAPTOP #2							
8/31/11		225		225	200DB	5				
			PROJECTOR							
8/10/11		320		320	200DB	7				
			MACBOOK AIR LAPTOP							
3/19/12		2,063			200DB	5		1,238		
			BROTHER COLOR LASER PRINTER							
5/24/12		357			200DB	5		214		
			ADOBE UPGRADE							
3/05/12		72				3		46		

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Statement 3 - Form 990-PF, Part I, Line 19 - Depreciation (continued)

Date Acquired	Description	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
4/05/12	ROCKET GENIUS SOFTWARE	199	\$		3	\$ 124	\$	\$
	PROGRAM FOR MAC							
6/14/12		135			3	81		
	BOOKCASE- TALL (1)							
2/22/12		200		200DB	7	114		
	BOOKCASE - SHORT (2)							
2/23/12		200		200DB	7	114		
	FOLDING CONFERENCE TABLES (2)							
2/24/12		150		200DB	7	86		
	CONFERENCE CHAIRS (6)							
2/25/12		450		200DB	7	257		
	SMALL WOODEN DESK (1)							
2/26/12		233		200DB	7	133		
	LARGE WOODEN DESK - (1)							
3/15/12		100		200DB	7	57		
	4- DRAW METAL FILING CABINETS (4)							
3/15/12		100		200DB	7	57		
	CORDLESS PHONES							
2/09/12		171		200DB	7	98		
	INTERPRETATION EQUIPMENT							
3/06/12		4,563		200DB	7	2,607		
	MICROWAVE							
3/12/12		35		200DB	7	20		
	MINI REFRIGERATOR							
3/12/12		100		200DB	7	57		
	PORTABLE HARD DRIVES (3)							
6/12/12		326		200DB	7	186		
Total		\$ 32,941	\$ 20,734			\$ 7,275	\$ 0	\$ 0

Federal Statements

Statement 4 - Form 990-PF, Part I, Line 23 - Amortization

Description	Date Acquired	Cost Basis	Prior Year Amortization	Life	Current Year Amortization	Net Investment Income	Adjusted Net Income	COGS
START UP COSTS	6/05/07	\$ 17,726	\$ 5,416	15	\$ 1,182	\$	\$	
Total		\$ 17,726	\$ 5,416		\$ 1,182	\$ 0	\$ 0	

Statement 5 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Expenses	\$	\$	\$	\$
INVESTING & BANKING FEES	36,053			
OUTSIDE CONTRACTOR SERVICES	12,186		36,053	12,186
DUES/SUBSCRIPTIONS	3,235			3,235
OFFICE SUPPLIES	3,067			3,067
INSURANCE	2,574			2,574
WEB & INTERNET	1,836			1,836
TELEPHONE	1,681			1,681
EVENT FOOD	1,614			1,614
PAYROLL PROCESSING	1,495			1,495
BUSINESS MEALS	1,035			1,035
DEVELOPMENT	747			747
BOOKS, SUBSCRIPTIONS	661			661
POSTAGE, MAILING SERVICE	182			182
CREDIT CARD FEES	140			140
Total	\$ 66,506	\$ 36,053	\$ 36,053	\$ 30,453

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Statement 6 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
FURNISHINGS	\$ 1,381	2,814	\$	916
OFFICE EQUIPMENT	9,973	15,167		2,782
COMPUTER EQUIPMENT	9,102	11,522		1,076
SOFTWARE	3,032	3,438		157
START UP COSTS	17,726	17,726	28,010	11,128
ACCUMULATED DEPRECIATION			6,598	
ACCUMULATED AMORTIZATION				
Total	\$ 41,214	\$ 50,667	\$ 34,608	\$ 16,059

Federal Statements**Statement 7 - Form 990-PF, Part II, Line 22 - Other Liabilities**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
DEPOSITS - SPONSORSHIPS	\$ 2,313	\$ 3,938
Total	<u>\$ 2,313</u>	<u>\$ 3,938</u>

Statement 8 - Form 990-PF, Part III, Line 3 - Other Increases

<u>Description</u>	<u>Amount</u>
UNREALIZED GAIN ON INVESTMENTS	\$ 729,879
Total	<u>\$ 729,879</u>

Statement 9 - Form 990-PF, Part XV, Line 2b - Application Format and Required ContentsDescription

GRANT APPLICANTS MUST COMPLETE THE GRANT APPLICATION AVAILABLE ONLINE AT WWW.F4DC.ORG.

Statement 10 - Form 990-PF, Part XV, Line 2c - Submission DeadlinesDescription

F4DC ACCEPTS GRANT APPLICATIONS ON A ROLLING BASIS. INTERESTED PARTIES SHOULD CONSULT WWW.F4DC.ORG TO LEARN MORE ABOUT OUR GRANT GUIDELINES.

Statement 11 - Form 990-PF, Part XV, Line 2d - Award Restrictions or LimitationsDescription

F4DC CONCENTRATES ITS GRANTMAKING IN THE SOUTHEASTERN US, WITH PARTICULAR INTEREST IN THE NORTH CAROLINA PIEDMONT. OUR FOCUS IS ON PROJECTS AND PROGRAMS THAT NURTURE GRASSROOTS DEMOCRACY. GRANTEEES MUST SIGN A GRANT AGREEMENT FORM STATING THAT THE GRANT WILL BE USED FOR THE PURPOSE INTENDED. OTHER GUIDELINES ARE LAID OUT IN A DOWNLOADABLE DOCUMENT TITLED "MATCHING GRANT INFORMATION PACKET" AT WWW.F4DC.ORG.

Form **4562**

Depreciation and Amortization
(Including Information on Listed Property)

OMB No 1545-0172

2012

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions. ▶ Attach to your tax return.

Attachment Sequence No **179**

Name(s) shown on return

THE FUND FOR DEMOCRATIC COMMUNITIES

Identifying number
26-0344869

Business or activity to which this form relates

Indirect Depreciation

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I

1	Maximum amount (see instructions)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4	Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2011 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2013 Add lines 9 and 10, less line 12	▶ 13	

Note: Do not use Part II or Part III below for listed property Instead, use Part V

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property) (See instructions)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	4,726
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	52

Part III MACRS Depreciation (Do not include listed property) (See instructions)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2012	17	1,782
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	▶ <input type="checkbox"/>	

Section B—Assets Placed in Service During 2012 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		1,210	5.0	HY	200DB	242
c 7-year property		3,315	7.0	HY	200DB	473
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
i Nonresidential real property			27 5 yrs	MM	S/L	
			39 yrs	MM	S/L	

Section C—Assets Placed in Service During 2012 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	22	7,275
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable

Section A—Depreciation and Other Information (Caution See the instructions for limits for passenger automobiles)

24a Do you have evidence to support the business/investment use claimed?				<input type="checkbox"/> Yes <input type="checkbox"/> No		24b If "Yes," is the evidence written?				<input type="checkbox"/> Yes <input type="checkbox"/> No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost			
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)							25				
26 Property used more than 50% in a qualified business use											
		%									
		%									
27 Property used 50% or less in a qualified business use											
		%				S/L-					
		%				S/L-					
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1							28				
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1										29	

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions)

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners			
39 Do you treat all use of vehicles by employees as personal use?			
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?			
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)			

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2012 tax year (see instructions)					
43 Amortization of costs that began before your 2012 tax year				43	1,182
44 Total. Add amounts in column (f) See the instructions for where to report				44	1,182