Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2012

Open to Public Inspection

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

Name of foundation: TELOS FOUNDATION, INC.

A Employer identification number: 64-0854272

Number and street (or P O box number if mail is not delivered to street address): P O BOX 321418

Room/suite:

B Telephone number (see instructions): (601) 321-1950

City or town, state, and ZIP code: FLOWOOD, MS 39232-1418

C If exemption application is pending, check here ▶ ☐

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

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

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

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

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ $ 3,395,265.

J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) ____________ (Part I, column (d) must be on cash basis)

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

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

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc, received (attach schedule)				
	2 Check ▶ ☐ if the foundation is **not** required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	84,263.	84,263.	84,263.	ATCH 1
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	103,672.			
	b Gross sales price for all assets on line 6a 1,684,597.				
	7 Capital gain net income (from Part IV, line 2)		103,672.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule) ATCH 2	-430,083.	-430,083.	-430,083.	
	12 **Total.** Add lines 1 through 11	-242,148.	-242,148.	-345,820.	
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) ATCH 3	6,866.	6,866.	6,866.	
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see instructions)				
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) ATCH 4	40,081.	40,081.	40,081.	
	24 **Total operating and administrative expenses.** Add lines 13 through 23	46,947.	46,947.	46,947.	
	25 Contributions, gifts, grants paid	206,570.			206,570.
	26 **Total expenses and disbursements** Add lines 24 and 25	253,517.	46,947.	46,947.	206,570.
	27 Subtract line 26 from line 12				
	a **Excess of revenue over expenses and disbursements**	-495,665.			
	b **Net investment income** (if negative, enter -0-)		0		
	c **Adjusted net income** (if negative, enter -0-)				

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

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets				
1	Cash - non-interest-bearing	6,167.	-3,535.	-3,535.
2	Savings and temporary cash investments	-216,200.	283,250.	283,250.
3	Accounts receivable ▶			
	Less allowance for doubtful accounts ▶			
4	Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
5	Grants receivable			
6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
7	Other notes and loans receivable (attach schedule) ▶			
	Less allowance for doubtful accounts ▶			
8	Inventories for sale or use			
9	Prepaid expenses and deferred charges			
10 a	Investments - U S and state government obligations (attach schedule) **	121,013.	65,646.	73,201.
b	Investments - corporate stock (attach schedule) ATCH 6	2,364,797.	1,911,575.	1,759,666.
c	Investments - corporate bonds (attach schedule) ATCH 7	124,306.	124,324.	137,039.
11	Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
12	Investments - mortgage loans			
13	Investments - other (attach schedule) ATCH 8	1,602,060.	809,612.	822,733.
14	Land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶ ATCH 9)	50,000.	322,911.	322,911.
16	**Total assets** (to be completed by all filers - see the instructions Also, see page 1, item I)	4,052,143.	3,513,783.	3,395,265.
Liabilities				
17	Accounts payable and accrued expenses			
18	Grants payable			
19	Deferred revenue			
20	Loans from officers, directors, trustees, and other disqualified persons			
21	Mortgages and other notes payable (attach schedule)			
22	Other liabilities (describe ▶)			
23	**Total liabilities** (add lines 17 through 22)	0	0	
Net Assets or Fund Balances				
	Foundations that follow SFAS 117, check here ▶ [ ] and complete lines 24 through 26 and lines 30 and 31.			
24	Unrestricted			
25	Temporarily restricted			
26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ [X]			
27	Capital stock, trust principal, or current funds			
28	Paid-in or capital surplus, or land, bldg , and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds	4,052,143.	3,513,783.	
30	**Total net assets or fund balances** (see instructions)	4,052,143.	3,513,783.	
31	**Total liabilities and net assets/fund balances** (see instructions)	4,052,143.	3,513,783.	

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	4,052,143.
2	Enter amount from Part I, line 27a	2	-495,665.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	3,556,478.
5	Decreases not included in line 2 (itemize) ▶ ATCH 10	5	42,695.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	3,513,783.

**ATCH 5

Part IV Capital Gains and Losses for Tax on Investment Income

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

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

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				
b				
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	103,672.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8	3	0

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2011	569,752.	4,183,211.	0.136200
2010	687,639.	4,747,445.	0.144844
2009	603,873.	4,960,758.	0.121730
2008	903,428.	6,483,042.	0.139352
2007	480,160.	7,780,271.	0.061715

2 **Total** of line 1, column (d)	2	0.603841
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	0.120768
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	2,999,670.
5 Multiply line 4 by line 3	5	362,264.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	
7 Add lines 5 and 6	7	362,264.
8 Enter qualifying distributions from Part XII, line 4	8	206,570.

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 . . . Date of ruling or determination letter ______________ (attach copy of letter if necessary - see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b	1	0
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	
3	Add lines 1 and 2	3	0
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	0
6	Credits/Payments		
a	2012 estimated tax payments and 2011 overpayment credited to 2012 — 6a: 2,311.		
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	2,311.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	2,311.
11	Enter the amount of line 10 to be **Credited to 2013 estimated tax** ▶ 2,311. **Refunded** ▶	11	

Part VII-A Statements Regarding Activities

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

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

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ NONE

14 The books are in care of ▶ JUDY BELL Telephone no ▶ 601-321-1950

Located at ▶ 219 KATHERINE DRIVE FLOWOOD, MS ZIP+4 ▶ 39232

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

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

			Yes	No
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ▶			

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

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? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? ☐ Yes ☐ No			
	If "Yes," list the years ▶ ____ , ____ , ____ , ____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions)	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ ____ , ____ , ____ , ____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☒ Yes ☐ No			
b	If "Yes," did it have excess business holdings in 2012 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012)*	3b		X
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	4b		X

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

5a During the year did the foundation pay or incur any amount to			
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes ☒ No		
(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	☐ Yes ☒ No		
(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes ☒ No		
(4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)	☐ Yes ☒ No		
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes ☒ No		
b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)?		5b	
Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	☐ Yes ☒ No		
If "Yes," attach the statement required by Regulations section 53 4945-5(d)			
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No		
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		6b	X
If "Yes" to 6b, file Form 8870			
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes ☒ No		
b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?		7b	

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
ATCH 11		0	0	0

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

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

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

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

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

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

Part IX-A Summary of Direct Charitable Activities

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

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

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

JSA
2E1465 1 000

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	2,835,573.
b	Average of monthly cash balances	1b	209,777.
c	Fair market value of all other assets (see instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	3,045,350.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) | 1e |		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	3,045,350.
4	Cash deemed held for charitable activities Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	45,680.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	2,999,670.
6	**Minimum investment return.** Enter 5% of line 5	6	149,984.

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	149,984.
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	149,984.
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	149,984.
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	149,984.

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	206,570.
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	206,570.
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	206,570.

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				149,984.
2	Undistributed income, if any, as of the end of 2012				
a	Enter amount for 2011 only				
b	Total for prior years 20 10 ,20 09 ,20 08				
3	Excess distributions carryover, if any, to 2012				
a	From 2007 103,968.				
b	From 2008 581,514.				
c	From 2009 357,301.				
d	From 2010 451,731.				
e	From 2011 360,591.				
f	Total of lines 3a through e	1,855,105.			
4	Qualifying distributions for 2012 from Part XII, line 4 ▶ $ 206,570.				
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				149,984.
e	Remaining amount distributed out of corpus	56,586.			
5	Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6	**Enter the net total of each column as indicated below:**				
a	Corpus Add lines 3f, 4c, and 4e Subtract line 5	1,911,691.			
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)	103,968.			
9	**Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a	1,807,723.			
10	Analysis of line 9				
a	Excess from 2008 581,514.				
b	Excess from 2009 357,301.				
c	Excess from 2010 451,731.				
d	Excess from 2011 360,591.				
e	Excess from 2012 56,586.				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) NOT APPLICABLE

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

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

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

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

1 **Information Regarding Foundation Managers:**

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

WILLIAM M MOUNGER II

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

N/A

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

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

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

ATCH 12

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

ATCH 13

c Any submission deadlines

ATCH 14

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

ATCH 15

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
ATCH 16				
Total ▶ 3a				206,570.
b *Approved for future payment*				
Total ▶ 3b				

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Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income (See instructions)
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	84,263.	
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	523000	-488,187.	14	58,104.	
8 Gain or (loss) from sales of assets other than inventory			14	103,672.	
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)		-488,187.		246,039.	

13 Total. Add line 12, columns (b), (d), and (e) . . . . 13 -242,148.

(See worksheet in line 13 instructions to verify calculations)

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

Line No ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions)

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

		Yes	No
1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a Transfers from the reporting foundation to a noncharitable exempt organization of			
(1) Cash	1a(1)		X
(2) Other assets	1a(2)		X
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
(3) Rental of facilities, equipment, or other assets	1b(3)		X
(4) Reimbursement arrangements	1b(4)		X
(5) Loans or loan guarantees	1b(5)		X
(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

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

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
	N/A		N/A

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

Signature of officer or trustee: William M. Mounger II Date: 11/13/13 Title: Pres.

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
MICHAEL D. HILL, CPA		11/15/2013		P00086078

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

Firm's address ▶ 190 E CAPITOL STREET, STE 500, JACKSON, MS 39201-2190 — Phone no 601-948-6700

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

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		511 SHS TE CONNECTIVITY PROPERTY TYPE: SECURITIES				P	09/08/2011	02/03/2012
17,992.		14,982.					3,010.	
		580 SHS PACKAGING CORP OF AMERICA PROPERTY TYPE: SECURITIES				P	09/08/2011	04/27/2012
17,101.		15,004.					2,097.	
		541 SHS ARCHER-DANIELS-MIDLAND CO PROPERTY TYPE: SECURITIES				P	09/08/2011	04/30/2012
16,652.		14,947.					1,705.	
		55 SHS CME GROUP INC PROPERTY TYPE: SECURITIES				P	04/27/2012	06/01/2012
14,030.		14,969.					-939.	
		1000 SHS MOTOROLA SOLUTIONS, INC PROPERTY TYPE: SECURITIES				P	09/09/2011	06/01/2012
47,340.		41,188.					6,152.	
		335 SHS DARDEN RESTAURANTS, INC. PROPERTY TYPE: SECURITIES				P	09/08/2011	06/04/2012
16,602.		14,912.					1,690.	
		1000 SHS MSCI EMERGING MARKETS INDEX FUN PROPERTY TYPE: SECURITIES				P	08/05/2011	06/04/2012
36,739.		41,859.					-5,120.	
		396 SHS MARATHON PETE CORP PROPERTY TYPE: SECURITIES				P	09/08/2011	06/04/2012
13,911.		14,997.					-1,086.	
		793 SHS PFIZER INC PROPERTY TYPE: SECURITIES				P	09/08/2011	06/04/2012
17,089.		14,986.					2,103.	
		358 SHS CARDINAL HEALTH, INC. PROPERTY TYPE: SECURITIES				P	09/08/2011	08/23/2012
14,183.		14,981.					-798.	
		337 SHS EMERSON ELECTRIC CO PROPERTY TYPE: SECURITIES				P	09/08/2011	09/24/2012
16,860.		14,982.					1,878.	
		.333 SHS KRAFT FOODS GROUP PROPERTY TYPE: SECURITIES				P	04/30/2012	10/02/2012
15.		14.					1.	

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

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		376 SHS MONDELEZ INTERNATIONAL PROPERTY TYPE: SECURITIES				P	04/30/2012	10/17/2012
10,284.		9,733.					551.	
		-2 SHS UNITED PARCEL SERVICE PROPERTY TYPE: SECURITIES				P	10/22/2012	08/31/2012
250.							250.	
		100 SHS APPLE INC PROPERTY TYPE: SECURITIES				P	05/08/2012	11/28/2012
57,525.		56,111.					1,414.	
		7564.024 SHS AMERICAN FUNDS PROPERTY TYPE: SECURITIES				P	VAR	11/28/2012
300,353.		320,133.					-19,780.	
		124.507 SHS AMERICAN FUNDS PROPERTY TYPE: SECURITIES				P	12/28/2011	11/28/2012
5,010.		4,355.					655.	
		750 SHS INTEL CORP PROPERTY TYPE: SECURITIES				P	09/08/2011	11/28/2012
14,917.		14,984.					-67.	
		100000 SHS HSBC BANK USA DJIA PROPERTY TYPE: SECURITIES				P	03/24/2010	01/24/2012
105,100.		100,000.					5,100.	
		5000 SHS MAIN STREET CORP PROPERTY TYPE: SECURITIES				P	03/22/2011	VAR
118,536.		91,750.					26,786.	
		2000 SHS SALIENT MLP & ENERGY PROPERTY TYPE: SECURITIES				P	05/25/2011	09/04/2012
50,033.		50,000.					33.	
		LTP TIMBERQUEST FUND PROPERTY TYPE: SECURITIES				P	VAR	VAR
		910.					-910.	
		SUBN PROPANE PTNRS LP					07/21/2011	09/14/2012
8.		11.					-3.	
		ARCHSTONE PARTNERS					VAR	VAR
794,067.		715,117.					78,950.	
TOTAL GAIN(LOSS)							103,672.	

Telos Foundation, Inc (A Mississippi Non-Profit Corporation)
64-0854272, Jackson, MS
Form 990-PF, Calendar Year 2012

Part II - Balance Sheets

Page 2 - Line 10a Investments - U S And State	No of Shares	Book Value	FMV per Share	FMV
FNMA CMO Series 2005-27	100,000	25 645 93		25 944 72
GNMA CMO Series 2008-60 HP	40 000	40,000 00		47 256 00
Total to Line 10a		65,645 93		73,200 72

Page 2 - Line 10b Investments - Stock	No of Shares	Book Value	FMV per Share	FMV
Bristol Myers Squibb Company	2,000	39,502 28	32 590	65,180 00
Chevron Corporation	152	14,989 01	108 140	16,437 28
Cisco Systems Inc	775	15,003 92	19 649	15,227 97
Coca Cola Co	418	14,934 58	36 250	15 152 50
Deere & Co	193	14,932 78	86 420	16 679 06
Du Pont	300	12,272 19	44 978	13 493 40
General Electric	2,500	87 850 00	20 990	52 475 00
Google Inc	100	59,598 40	707 380	70 738 00
Kansas City Southern Indus	1,000	50 287 70	83 480	83 480 00
Kraft Foods Group Inc	342	15 415 69	45 470	15 550 74
Merck & Company	457	14 975 84	40 940	18 709 58
Microsoft Corporation	2,570	67 724 27	26 709	68 642 13
Motorola Solutions, Inc	315	14,959 32	55 680	17 539 20
Pfizer Inc	2 000	28 170 06	25 079	50 158 00
Regions Financial Corp	5 000	114,799 50	7 130	35,650 00
Union Pacific Corp	125	15 068 74	125 720	15,715 00
United Parcel Service	230	14,972 77	73 730	16,957 90
VF Corp	128	14,989 29	150 970	19 324 16
Verizon Communications	423	14,994 21	43 270	18,303 21
ACE LTD	233	14,941 66	79 800	18 593 40
SPDR S&P Dep	1 000	103 597 80	142 410	142 410 00
SPDR S&P MidCap 400	1 000	120 708 60	185 710	185 710 00
Fidus Investment Corporation	4 000	60,000 00	16 450	65 800 00
Inergy L P	400	11,906 05	18 190	7 276 00
Invesco Mortgage Capital Inc	450	9,729 41	19 710	8 869 50
Linn Energy	260	10,083 93	35 240	9 162 40
Pandora Media	100	1,600 00	9 180	918 00
Seadrill Ltd	250	9,701 05	36 800	9 200 00
Suburban Propane Partners	43	2 324 61	38 860	1 670 98
Subtotal		970 033 66		786 416 53
Artisan Small Cap Value (Mutual Fund)	18 178	317 724 52	15 350	279 028 66
Lateef Fund A	24 358	236 959 86	11 580	282,066 72
American Funds Growth Fund	10,045	318 769 31	34 140	342 928 78
Union BK of California	65 000	68,087 50	1 065	69,225 00
Subtotal		941 541 19		973 249 16
Total to Line 10b		1,911,574 85		1,759,665 69

Page 2 - Line 10c Investments - Corp Bonds	No of Shares	Book Value	FMV per Share	FMV
American Express	25,000	24 885 66	1 018	25,451 75
Goldman Sachs Group	22,000	20 917 04	1 034	22,749 10
Caterpillar Fin Serv Crp	20,000	19 876 60	1 040	20,807 40
JP Morgan Chase	10,000	9 519 73	1 063	10,627 30
American Express	25,000	24 008 26	1 208	30 194 00
Entergy Corp	25 000	25 116 56	1 088	27 209 50
Subtotal		124,323 85		137 039 05
Total to Line 10c		124,323 85		137,039 05

Page 2 - Line 13 Investments - Other	No of Shares	Book Value	FMV per Share	FMV
Capital One Cap	2,200	55 486 00	25 320	54 648 00
Zions Capital Trust	2 000	54 456 00	25 200	50 880 00
Raymond James Financial	1,500	37,500 00	27 270	40,905 00
Genesis Energy	1 500 -	39 450 00	35 720	53 580 00
Subtotal		186 892 00		200 013 00
American Debt Purchasing Pool		19 511 89		19 511 89
ADP Reinvestment Pool		5 042 00		5,042 00
Davco Fiber		250 000 00		250,000 00
Diabetes Magagement Centers of Mississippi LLC		4 577 00		4,577 00
LTP Timberquest		214,743 00		214 743 00
Voices Heard Media, Inc		50,000 00		50 000 00
NYLIAC		25,000 00		25 000 00
SafeMeds Solutions		35,815 85		35 815 85
The Blake at Malbis		(83,408 00)		(83 408 00)
Genesis Energy		(1,627 00)		(1 627 00)
Inergy LP		(779 00)		(779 00)
Suburban Propane		(3 00)		(3 00)
Linn Energy		(1 675 00)		(1 675 00)
Eastover Development LLC		105 523 00		105 523 00
Subtotal		622 720 74		622,720 74
Total to Line 13		809,612 74		822,733 74

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

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME
MORGAN KEEGAN 30192900	45,985.	45,985.	45,985.
MORGAN KEEGAN 3109527	35,187.	35,187.	35,187.
MORGAN STANLEY 0370042	1,079.	1,079.	1,079.
THE BLAKE AT MALBIS	1,458.	1,458.	1,458.
LTP TIMBERQUEST	13.	13.	13.
SAFEMEDS	116.	116.	116.
GENESIS ENERGY	406.	406.	406.
INERGY LP	4.	4.	4.
SUBURBAN PROPANE	1.	1.	1.
LINN ENERGY	5.	5.	5.
EASTOVER DEVELOPMENT	9.	9.	9.
TOTAL	84,263.	84,263.	84,263.

FORM 990PF, PART I - OTHER INCOME

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME
ORDINARY INCOME - ADP REINVESTMENT POOL	8,342.	8,342.	8,342.
ORDINARY INCOME - AM DEBT PURCHASE POOL	9,735.	9,735.	9,735.
ORDINARY INCOME - SAFEMEDS	-7,500.	-7,500.	-7,500.
ORDINARY INCOME - DIABETES MANAGEMENT	-5,791.	-5,791.	-5,791.
ORDINARY INCOME - EASTOVER DEVELOPMENT	-1,430.	-1,430.	-1,430.
ORDINARY INCOME - GENESIS	-1,910.	-1,910.	-1,910.
ORDINARY INCOME - INERGY LP	-783.	-783.	-783.
ORDINARY INCOME- SUBURBAN PROPANE	-1.	-1.	-1.
ORDINARY INCOME- LINN ENERGY	489.	489.	489.
OTHER INCOME - MORGAN KEEGAN 30192900	2,171.	2,171.	2,171.
OTHER INCOME - MORGAN KEEGAN 0042	1,480.	1,480.	1,480.
OTHER INCOME - AM DEBT PURCHASE POOL	43,482.	43,482.	43,482.
OTHER INCOME - THE BLAKE	-488,522.	-488,522.	-488,522.
OTHER INCOME - EASTOVER DEVELOPMENT	6,964.	6,964.	6,964.
OTHER INCOME - LTP TIMBERQUEST	1,859.	1,859.	1,859.
SECTION 1231 - SAFEMEDS	1,362.	1,362.	1,362.
SECTION 1231 - GENESIS ENERGY	-27.	-27.	-27.
SECTION 1231 - SUBURBAN PROPANE	-3.	-3.	-3.
TOTALS	-430,083.	-430,083.	-430,083.

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
ACCOUNTING FEES	6,866.	6,866.	6,866.	
TOTALS	6,866.	6,866.	6,866.	

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME
MARGIN INTEREST EXPENSE	3,350.	3,350.	3,350.
BANK SERVICE CHARGE	79.	79.	79.
INVESTMENT MANAGEMENT FEES	22,028.	22,028.	22,028.
OTHER DEDUCTIONS - PASSTHROUGH	13,884.	13,884.	13,884.
MISCELLANEOUS EXPENSES	740.	740.	740.
TOTALS	40,081.	40,081.	40,081.

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

ATTACHMENT 5

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
US GOVERNMENT OBLIGATIONS	65,646.	73,201.
US OBLIGATIONS TOTAL	65,646.	73,201.

FORM 990PF, PART II - CORPORATE STOCK

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
CORPORATE STOCKS	1,911,575.	1,759,666.
TOTALS	1,911,575.	1,759,666.

FORM 990PF, PART II - CORPORATE BONDS

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
CORPORATE BONDS	124,324.	137,039.
TOTALS	124,324.	137,039.

FORM 990PF, PART II - OTHER INVESTMENTS

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
OTHER INVESTMENTS	186,892.	200,013.
AMERICAN DEBT REPURCHASING	19,511.	19,511.
ADP REINVESTMENT	5,042.	5,042.
ARCHSTONE PARTNERS II		
NYLIAC	25,000.	25,000.
VOICES HEARD MEDIA, INC.	50,000.	50,000.
LTP TIMBERQUEST	214,743.	214,743.
DAVCO FIBER	250,000.	250,000.
DIABETES MANAGEMENT CENTERS	4,577.	4,577.
SAFEMEDS SOLUTIONS	35,816.	35,816.
THE BLAKE AT MALBIS	-83,408.	-83,408.
GENESIS ENERGY	-1,627.	-1,627.
INERGY LP	-779.	-779.
LINN ENERGY	-1,675.	-1,675.
EASTOVER DEVELOPMENT LLC	105,523.	105,523.
SUBURBAN PROPANE	-3.	-3.
TOTALS	809,612.	822,733.

ATTACHMENT 9

FORM 990PF, PART II - OTHER ASSETS

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
DUE FROM SAFEMED SOLUTIONS	222,911.	222,911.
DUE FROM LONG LEAF CAMO	100,000.	100,000.
TOTALS	322,911.	322,911.

ATTACHMENT 10

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

DESCRIPTION		AMOUNT
UNREALIZED LOSS - THE BLAKE		42,695.
	TOTAL	42,695.

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

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
WILLIAM M MOUNGER II 4731 E. MASSENA DRIVE JACKSON, MS 39211	PRESIDENT	0	0	0
CALLIE BRANDON MOUNGER 4731 E. MASSENA DRIVE JACKSON, MS 39211	VICE-PRESIDENT	0	0	0
WILLIAM M MOUNGER II 4731 E. MASSENA DRIVE JACKSON, MS 39211	SECRETARY/TREASURER	0	0	0
	GRAND TOTALS	0	0	0

ATTACHMENT 12

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

WILLIAM M MOUNGER II
4781 MASSENA DRIVE
JACKSON, MS 39211
601-321-1950

ATTACHMENT 13

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

INDIVIDUALS AND ORGANIZATIONS REQUESTING FUNDS SHOULD SUBMIT A REQUEST WHICH SETS FORTH A BRIEF RESUME OF QUALIFICATIONS AND OUTLINE OF THE PROPOSED USE OF THE REQUESTED FUNDS. NEEDY PERSONS SHOULD SUBMIT EVIDENCE AS TO THE NEED FOR FOOD, CLOTHING, SHELTER AND OTHER ITEMS OF BASIC SUBSTANCE. REQUESTS FOR LOANS SHOULD CONTAIN EVIDENCE OF INABILITY TO OBTAIN CONVENTIONAL FINANCING.

ATTACHMENT 14

990PF, PART XV - SUBMISSION DEADLINES

APPLICATIONS ARE ACCEPTED ANY TIME. NOTICE OF APPROVAL, REJECTION, OR REQUESTS FOR ADDITIONAL INFORMATION IS USUALLY SENT WITHIN 2 MONTHS.

990PF, PART XV - RESTRICTIONS OR LIMITATIONS ON AWARDS

PREFERENCE IS GIVEN TO MISSISSIPPI RESIDENTS AND CHARITABLE ORGANIZATIONS. MOST CONTRIBUTIONS AND/OR GRANTS ARE MADE FOR CHRISTIAN PREACHING, TEACHING, AND OTHER RELIGIOUS ACTIVITIES, BUT TO THE EXTENT FUNDS ARE AVAILABLE, CONTRIBUTIONS AND/OR GRANTS MAY BE MADE FOR OTHER PURPOSES AND TO INDIVIDUALS AND ORGANIZATIONS IN OTHER STATES. NO MORE THAN $10,000 IS GRANTED TO ANY ONE PERSON OVER A 4-YEAR PERIOD. GRANTS TO ORGANIZATIONS ARE DEPENDENT ON NEED AT THE DISCRETION OF THE FOUNDATION MANAGER.

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
AFRICAN BIBLE COLLEGES P O BOX 103 CLINTON, MS 39060	NONE EXEMPT	UNRESTRICTED - CHRISTIAN	1,200
THE UNIVERSITY OF MISSISSIPPI FOUNDATION P O BOX 249 UNIVERSITY, MS 38677	NONE EXEMPT	UNRESTRICTED - EDUCATION	46,429
MISSION FIRST P O BOX 250 JACKSON, MS 39205	NONE EXEMPT	UNRESTRICTED - COMMUNITY WELFARE	35,000
JACKSON PREPARATORY SCHOOL P O BOX 4940 JACKSON, MS 39296	NONE EXEMPT	UNRESTRICTED - EDUCATION	395
FOUNDATION FOR MS WILDLIFE, FISHERIES, & PARKS P O BOX 14194 JACKSON, MS 39236	NONE EXEMPT	UNRESTRICTED	2,500
SOUTHERN CHRISTIAN SERVICES FOR CHILDREN AND YOUTH 860 EAST RIVER PLACE SUITE 104 JACKSON, MS 39202	NONE EXEMPT	UNRESTRICTED	500

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
BUSINESS & PROFESSIONAL OUTREACH, INTL 1401 PINEHAVEN ROAD CLINTON, MS 39056	NONE EXEMPT	UNRESTRICTED	1,800
COMPASSION INTERNATIONAL 12290 VOYAGER PARKWAY COLORADO SPRINGS, CO 80997	NONE EXEMPT	UNRESTRICTED	456
LIGONIER'S MINISTRIES 421 LIGONIER COURT SANFORD, FL 32771	NONE EXEMPT	UNRESTRICTED	240
MEDICAL MOBILIZERS P O BOX 682385 FRANKLIN, TN 37068	NONE EXEMPT	UNRESTRICTED	2,400
VICTORY WORLD MISSION P O BOX 7872 SHALLOTTE, NC 28469	NONE EXEMPT	UNRESTRICTED	600
WORLD HARVEST MISSION 101 WEST AVE STE 305 JENKINTOWN, PA 19046	NONE EXEMPT	UNRESTRICTED	1,200

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
YOUNG BUSINESS LEADERS 618 BRIARWOOD DRIVE SUITE A JACKSON, MS 39211	NONE EXEMPT	UNRESTRICTED	2,400
CAMPUS CRUSADE FOR CHRIST 100 LAKE HART DRIVE ORLANDO, FL 32832	NONE EXEMPT	UNRESTRICTED	900
DELTA WATERFOWL FOUNDATION P O BOX 3128 BISMARK, ND 58502	NONE EXEMPT	UNRESTRICTED	43,800
DUCKS UNLIMITED ONE WATERFOWL WAY MEMPHIS, TN 38120	NONE EXEMPT	UNRESTRICTED	500
FIRST PRESBYTERIAN CHURCH 1300 NORTH STATE STREET JACKSON, MS 39202	NONE EXEMPT	UNRESTRICTED	900
JH RANCH 8525 HOMESTEAD LANE ETNA, CA 96027	NONE EXEMPT	UNRESTRICTED	20,000

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
MISSION TO THE WORLD P O BOX 116284 ATLANTA, GA 30368-6284	NONE EXEMPT	UNRESTRICTED	750.
MISSISSIPPI TECHNOLOGY ALLIANCE 134 MARKETRIDGE DRIVE RIDGELAND, MS 39157	NONE EXEMPT	UNRESTRICTED	200
NEIGHBORHOOD CHRISTIAN CENTER 785 JACKSON AVENUE MEMPHIS, TN 38107	NONE EXEMPT	UNRESTRICTED	5,000
STEWPOT COMMUNITY SERVICES 845 WEST AMITE STREET JACKSON, MS 39203	NONE EXEMPT	UNRESTRICTED	1,000
THIRD MILLENIUM MINISTRIES P O BOX 300769 FERN PARK, FL 32730-0769	NONE EXEMPT	UNRESTRICTED	5,000
GRACE COMMUNITY CHURCH 7120 AIRPORT BLVD MOBILE, AL 36608	NONE EXEMPT	UNRESTRICTED	2,000

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
DAVID DIXON MINISTRIES P O BOX 1788 MADISON, MS 39130	NONE EXEMPT	UNRESTRICTED	5,000
DIABETES FOUNDATION 333 WEST MONROE AVE GREENWOOD, MS 38930	NONE EXEMPT	UNRESTRICTED	300
MISSISSIPPI MUSEUM OF ART 380 S LAMAR ST JACKSON, MS 39201	NONE EXEMPT	UNRESTRICTED	6,000
UMAA FOUNDATION C M TAD SMITH COLISEUM UNIVERSITY, MS 38677	NONE EXEMPT	UNRESTRICTED	11,900
MS STATE TROOPER ASSOCIATION P O BOX 958 JACKSON, MS 39205	NONE EXEMPT	UNRESTRICTED	100
FIRST BAPTIST CHURCH OF PEARL 406 NORTH BIERDEMAN RD PEARL, MS 39208	NONE EXEMPT	UNRESTRICTED	1,000

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
HARTFIELD ACADEMY 1240 LUCKNEY ROAD FLOWOOD, MS 39232	NONE EXEMPT	UNRESTRICTED	5,000
MS SPORTS HALL OF FAME 1152 LAKELAND DRIVE JACKSON, MS 39216	NONE EXEMPT	UNRESTRICTED	100
PRESERVATION OF MBA FUND 4780 I-55 NORTH SUITE 125 JACKSON, MS 39211	NONE EXEMPT	UNRESTRICTED	2,000
		TOTAL CONTRIBUTIONS PAID	206,570.

SCHEDULE D (Form 1041)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

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

OMB No 1545-0092

2012

Name of estate or trust	Employer identification number
TELOS FOUNDATION, INC.	64-0854272

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

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

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

b	Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b	1b	11,435.
2	Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	2	
3	Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	3	
4	Short-term capital loss carryover Enter the amount, if any, from line 9 of the 2011 Capital Loss Carryover Worksheet	4	( )
5	**Net short-term gain or (loss).** Combine lines 1a through 4 in column (f) Enter here and on line 13, column (3) on the back ▶	5	11,435.

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

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

b	Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b	6b	92,237.
7	Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	7	
8	Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	8	
9	Capital gain distributions	9	
10	Gain from Form 4797, Part I	10	
11	Long-term capital loss carryover Enter the amount, if any, from line 14 of the 2011 Capital Loss Carryover Worksheet	11	( )
12	**Net long-term gain or (loss).** Combine lines 6a through 11 in column (f) Enter here and on line 14a, column (3) on the back ▶	12	92,237.

Part III Summary of Parts I and II

Caution: *Read the instructions **before** completing this part*

			(1) Beneficiaries' (see instr)	(2) Estate's or trust's	(3) Total
13	**Net short-term gain or (loss)**	13			11,435.
14	**Net long-term gain or (loss):**				
a	Total for year	14a			92,237.
b	Unrecaptured section 1250 gain (see line 18 of the wrksht)	14b			
c	28% rate gain	14c			
15	**Total net gain or (loss).** Combine lines 13 and 14a ▶	15			103,672.

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

Part IV Capital Loss Limitation

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

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

Part V Tax Computation Using Maximum Capital Gains Rates

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

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

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

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

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

SCHEDULE D-1 (Form 1041)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Schedule D (Form 1041)

▶ Attach to Schedule D to list additional transactions for lines 1a and 6a.
▶ Information about Schedule D (Form 1041) and its separate instructions is at *www.irs.gov/form1041*.

OMB No 1545-0092

2012

Name of estate or trust: TELOS FOUNDATION, INC.

Employer identification number: 64-0854272

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

(a) Description of property (Example 100 sh 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
1a					
511 SHS TE CONNECTIVITY	09/08/2011	02/03/2012	17,992.	14,982.	3,010.
580 SHS PACKAGING CORP OF AMERICA	09/08/2011	04/27/2012	17,101.	15,004.	2,097.
541 SHS ARCHER-DANIELS-MID LAND CO	09/08/2011	04/30/2012	16,652.	14,947.	1,705.
55 SHS CME GROUP INC	04/27/2012	06/01/2012	14,030.	14,969.	-939.
1000 SHS MOTOROLA SOLUTIONS, INC	09/09/2011	06/01/2012	47,340.	41,188.	6,152.
335 SHS DARDEN RESTAURANTS , INC.	09/08/2011	06/04/2012	16,602.	14,912.	1,690.
1000 SHS MSCI EMERGING MARKETS INDEX FUND	08/05/2011	06/04/2012	36,739.	41,859.	-5,120.
396 SHS MARATHON PETE CORP	09/08/2011	06/04/2012	13,911.	14,997.	-1,086.
793 SHS PFIZER INC	09/08/2011	06/04/2012	17,089.	14,986.	2,103.
358 SHS CARDINAL HEALTH, INC.	09/08/2011	08/23/2012	14,183.	14,981.	-798.
.333 SHS KRAFT FOODS GROUP	04/30/2012	10/02/2012	15.	14.	1.
376 SHS MONDELEZ INTERNATIONAL	04/30/2012	10/17/2012	10,284.	9,733.	551.
100 SHS APPLE INC	05/08/2012	11/28/2012	57,525.	56,111.	1,414.
124.507 SHS AMERICAN FUNDS	12/28/2011	11/28/2012	5,010.	4,355.	655.

1b Total. Combine the amounts in column (f) Enter here and on Schedule D, line 1b . . . . 11,435.

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

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

(a) Description of property (Example 100 sh 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
6a 337 SHS EMERSON ELECTRIC CO	09/08/2011	09/24/2012	16,860.	14,982.	1,878.
-2 SHS UNITED PARCEL SERVICE	10/22/2012	08/31/2012	250.		250.
7564.024 SHS AMERICAN FUNDS	VAR	11/28/2012	300,353.	320,133.	-19,780.
750 SHS INTEL CORP	09/08/2011	11/28/2012	14,917.	14,984.	-67.
100000 SHS HSBC BANK USA DJIA	03/24/2010	01/24/2012	105,100.	100,000.	5,100.
5000 SHS MAIN STREET CORP	03/22/2011	VAR	118,536.	91,750.	26,786.
2000 SHS SALIENT MLP & ENERGY	05/25/2011	09/04/2012	50,033.	50,000.	33.
LTP TIMBERQUEST FUND		VAR		910.	-910.
SUBN PROPANE PTNRS LP	07/21/2011	09/14/2012	8.	11.	-3.
ARCHSTONE PARTNERS			794,067.	715,117.	78,950.

6b Total. Combine the amounts in column (f) Enter here and on Schedule D, line 6b . . . . 92,237.

JSA
2F1222 2 000