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Form 990-PF

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

2012

Open to Public Inspection

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

Department of the Treasury Internal Revenue Service

For calendar year 2012, or tax year beginning 01-01-2012, and ending 12-31-2012

Name of foundation: DAVIDSON FOUNDATION. A Employer identification number: 75-6038584. B Telephone number: (903) 938-0331. G Check all that apply: Initial return, Final return, Address change. H Check type of organization: Section 501(c)(3) exempt private foundation. I Fair market value of all assets at end of year: \$ 648,773. J Accounting method: Accrual.

Table with 5 columns: (a) Revenue and expenses per books, (b) Net investment income, (c) Adjusted net income, (d) Disbursements for charitable purposes. Rows include Revenue (1-12), Operating and Administrative Expenses (13-26), and Summary (27-29).

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

<b>Part II Balance Sheets</b>		Beginning of year		End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value	
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .	22,678	21,713	21,713	
	<b>2</b> Savings and temporary cash investments . . . . .	142,814	90,502	90,502	
	<b>3</b> Accounts receivable ▶ _____ Less allowance for doubtful accounts ▶ _____				
	<b>4</b> Pledges receivable ▶ _____ Less allowance for doubtful accounts ▶ _____				
	<b>5</b> Grants receivable . . . . .				
	<b>6</b> Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions) . . . . .				
	<b>7</b> Other notes and loans receivable (attach schedule) ▶ _____ Less allowance for doubtful accounts ▶ _____				
	<b>8</b> Inventories for sale or use . . . . .				
	<b>9</b> Prepaid expenses and deferred charges . . . . .				
	<b>10a</b> Investments—U S and state government obligations (attach schedule)				
	<b>b</b> Investments—corporate stock (attach schedule) . . . . .	49,506 <input type="checkbox"/>	49,506	51,306	
	<b>c</b> Investments—corporate bonds (attach schedule) . . . . .				
	<b>11</b> Investments—land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____				
	<b>12</b> Investments—mortgage loans . . . . .				
	<b>13</b> Investments—other (attach schedule) . . . . .				
	<b>14</b> Land, buildings, and equipment basis ▶ <u>752,770</u> Less accumulated depreciation (attach schedule) ▶ <u>267,518</u>	489,614 <input type="checkbox"/>	485,252	485,252	
<b>15</b> Other assets (describe ▶ _____)		1 <input type="checkbox"/>			
<b>16 Total assets</b> (to be completed by all filers—see the instructions Also, see page 1, item I)	704,612	646,974	648,773		
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .				
	<b>18</b> Grants payable . . . . .				
	<b>19</b> Deferred revenue . . . . .				
	<b>20</b> Loans from officers, directors, trustees, and other disqualified persons				
	<b>21</b> Mortgages and other notes payable (attach schedule) . . . . .				
	<b>22</b> Other liabilities (describe ▶ _____)				
	<b>23 Total liabilities</b> (add lines 17 through 22) . . . . .		0		
<b>Net Assets or Fund Balances</b>	<b>Foundations that follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 24 through 26 and lines 30 and 31.</b>				
	<b>24</b> Unrestricted . . . . .				
	<b>25</b> Temporarily restricted . . . . .				
	<b>26</b> Permanently restricted . . . . .				
	<b>Foundations that do not follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 31.</b>				
	<b>27</b> Capital stock, trust principal, or current funds . . . . .	704,612	646,974		
	<b>28</b> Paid-in or capital surplus, or land, bldg, and equipment fund				
<b>29</b> Retained earnings, accumulated income, endowment, or other funds					
<b>30 Total net assets or fund balances</b> (see page 17 of the instructions) . . . . .	704,612	646,974			
<b>31 Total liabilities and net assets/fund balances</b> (see page 17 of the instructions) . . . . .	704,612	646,974			

**Part III Analysis of Changes in Net Assets or Fund Balances**

<b>1</b>	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) . . . . .	<b>1</b>	704,612
<b>2</b>	Enter amount from Part I, line 27a . . . . .	<b>2</b>	-57,638
<b>3</b>	Other increases not included in line 2 (itemize) ▶ _____	<b>3</b>	
<b>4</b>	Add lines 1, 2, and 3 . . . . .	<b>4</b>	646,974
<b>5</b>	Decreases not included in line 2 (itemize) ▶ _____	<b>5</b>	
<b>6</b>	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 . . . . .	<b>6</b>	646,974

**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)
<b>1a</b>			

(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)
<b>a</b>			
<b>b</b>			
<b>c</b>			
<b>d</b>			
<b>e</b>			

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

<b>2</b>	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 }	<b>2</b>	
<b>3</b>	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	}	<b>3</b>	

**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 page 18 of 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	20,028	226,771	0.08832
2010	26,714	207,811	0.12855
2009	10,500	235,203	0.04464
2008	18,477	296,733	0.06227
2007	23,668	372,996	0.06345

<b>2</b>	Total of line 1, column (d).		0.38723	<b>2</b>
<b>3</b>	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		0.07745	<b>3</b>
<b>4</b>	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5.		189,738	<b>4</b>
<b>5</b>	Multiply line 4 by line 3.		14,694	<b>5</b>
<b>6</b>	Enter 1% of net investment income (1% of Part I, line 27b).		74	<b>6</b>
<b>7</b>	Add lines 5 and 6.		14,768	<b>7</b>
<b>8</b>	Enter qualifying distributions from Part XII, line 4.		12,600	<b>8</b>

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 page 18 of the instructions)**

<b>1a</b>	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>b</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 . . . . .	<b>1</b>	149
<b>c</b>	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
<b>2</b>	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	<b>2</b>	
<b>3</b>	Add lines 1 and 2. . . . .	<b>3</b>	149
<b>4</b>	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	<b>4</b>	
<b>5</b>	<b>Tax based on investment income.</b> Subtract line 4 from line 3 If zero or less, enter -0- . . . . .	<b>5</b>	149
<b>6</b>	Credits/Payments		
<b>a</b>	2012 estimated tax payments and 2011 overpayment credited to 2012	<b>6a</b>	
<b>b</b>	Exempt foreign organizations—tax withheld at source . . . . .	<b>6b</b>	
<b>c</b>	Tax paid with application for extension of time to file (Form 8868)	<b>6c</b>	
<b>d</b>	Backup withholding erroneously withheld . . . . .	<b>6d</b>	
<b>7</b>	Total credits and payments Add lines 6a through 6d. . . . .	<b>7</b>	
<b>8</b>	Enter any <b>penalty</b> for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	<b>8</b>	
<b>9</b>	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b> . . . . .	<b>9</b>	149
<b>10</b>	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b> . . . . .	<b>10</b>	
<b>11</b>	Enter the amount of line 10 to be <b>Credited to 2013 estimated tax</b> <input type="checkbox"/> <b>Refunded</b> <input type="checkbox"/>	<b>11</b>	

**Part VII-A Statements Regarding Activities**

	Yes	No
<b>1a</b> 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? . . . . .		No
<b>b</b> Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? . . . . . <i>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.</i>		No
<b>c</b> Did the foundation file <b>Form 1120-POL</b> for this year? . . . . .		No
<b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year <b>(1)</b> On the foundation <input type="checkbox"/> \$ _____ <b>(2)</b> On foundation managers <input type="checkbox"/> \$ _____		
<b>e</b> Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
<b>2</b> Has the foundation engaged in any activities that have not previously been reported to the IRS? . . . . . <i>If "Yes," attach a detailed description of the activities.</i>		No
<b>3</b> 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? <i>If "Yes," attach a conformed copy of the changes</i> . . . . .		No
<b>4a</b> Did the foundation have unrelated business gross income of \$1,000 or more during the year? . . . . .		No
<b>b</b> If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year? . . . . .		No
<b>5</b> Was there a liquidation, termination, dissolution, or substantial contraction during the year? . . . . . <i>If "Yes," attach the statement required by General Instruction T.</i>		No
<b>6</b> 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? . . . . .	Yes	
<b>7</b> Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	Yes	
<b>8a</b> Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> TX _____		
<b>b</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? <i>If "No," attach explanation .</i>	Yes	
<b>9</b> 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)? <i>If "Yes," complete Part XIV</i> . . . . .		No
<b>10</b> Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		No

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).
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)
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address N/A
14 The books are in care of ROBERT DUVAL VICE CHAIRMAN Telephone no (903) 938-0331 Located at 204 S WELLINGTON MARSHALL TX ZIP+4 75670
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 -Check here and enter the amount of tax-exempt interest received or accrued during the year. 15
16 At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See 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.
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?
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?
(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)?
(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).
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 page 20 of the instructions)? 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?
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? 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).
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?
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.).
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?
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?

**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**  Yes  No  
Organizations relying on a current notice regarding disaster assistance check here.  Yes  No

**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**  Yes  No  
If "Yes" to 6b, file Form 8870.

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

**b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? **7b**  Yes  No

**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
See Additional Data Table				

**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.  Yes  No

**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
<b>1</b> _____	
<b>2</b> _____	
<b>3</b> _____	
<b>4</b> _____	

**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
<b>1</b> _____	
<b>2</b> _____	
<b>3</b> All other program-related investments. See page 24 of the instructions _____	

**Total.** Add lines 1 through 3. . . . . ▶

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

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
<b>a</b>	Average monthly fair market value of securities. . . . .	<b>1a</b>	50,121
<b>b</b>	Average of monthly cash balances. . . . .	<b>1b</b>	142,506
<b>c</b>	Fair market value of all other assets (see instructions). . . . .	<b>1c</b>	0
<b>d</b>	<b>Total</b> (add lines 1a, b, and c). . . . .	<b>1d</b>	192,627
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation). . . . .	<b>1e</b>	0
<b>2</b>	Acquisition indebtedness applicable to line 1 assets. . . . .	<b>2</b>	
<b>3</b>	Subtract line 2 from line 1d. . . . .	<b>3</b>	192,627
<b>4</b>	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions). . . . .	<b>4</b>	2,889
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3 Enter here and on Part V, line 4	<b>5</b>	189,738
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5. . . . .	<b>6</b>	9,487

**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.)

<b>1</b>	Minimum investment return from Part X, line 6. . . . .	<b>1</b>	9,487
<b>2a</b>	Tax on investment income for 2012 from Part VI, line 5. . . . .	<b>2a</b>	149
<b>b</b>	Income tax for 2012 (This does not include the tax from Part VI ). . . . .	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b. . . . .	<b>2c</b>	149
<b>3</b>	Distributable amount before adjustments Subtract line 2c from line 1. . . . .	<b>3</b>	9,338
<b>4</b>	Recoveries of amounts treated as qualifying distributions. . . . .	<b>4</b>	
<b>5</b>	Add lines 3 and 4. . . . .	<b>5</b>	9,338
<b>6</b>	Deduction from distributable amount (see instructions). . . . .	<b>6</b>	
<b>7</b>	<b>Distributable amount</b> as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1. . . . .	<b>7</b>	9,338

**Part XII Qualifying Distributions** (see instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
<b>a</b>	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26. . . . .	<b>1a</b>	12,600
<b>b</b>	Program-related investments—total from Part IX-B. . . . .	<b>1b</b>	
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes. . . . .	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the		
<b>a</b>	Suitability test (prior IRS approval required). . . . .	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule). . . . .	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	12,600
<b>5</b>	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). . . . .	<b>5</b>	
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4. . . . .	<b>6</b>	12,600

**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
<b>1</b> Distributable amount for 2012 from Part XI, line 7				9,338
<b>2</b> Undistributed income, if any, as of the end of 2012				
<b>a</b> Enter amount for 2011 only. . . . .				
<b>b</b> Total for prior years 20__ , 20__ , 20__				
<b>3</b> Excess distributions carryover, if any, to 2012				
<b>a</b> From 2007. . . . .	5,682			
<b>b</b> From 2008. . . . .	4,686			
<b>c</b> From 2009. . . . .				
<b>d</b> From 2010. . . . .	17,221			
<b>e</b> From 2011. . . . .	8,833			
<b>f</b> <b>Total</b> of lines 3a through e. . . . .	36,422			
<b>4</b> Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ <u>12,600</u>				
<b>a</b> Applied to 2011, but not more than line 2a				
<b>b</b> Applied to undistributed income of prior years (Election required—see instructions). . . . .				
<b>c</b> Treated as distributions out of corpus (Election required—see instructions). . . . .	0			
<b>d</b> Applied to 2012 distributable amount. . . . .				9,338
<b>e</b> Remaining amount distributed out of corpus	3,262			
<b>5</b> Excess distributions carryover applied to 2012 <i>(If an amount appears in column (d), the same amount must be shown in column (a).)</i>				
<b>6</b> <b>Enter the net total of each column as indicated below:</b>				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5	39,684			
<b>b</b> Prior years' undistributed income Subtract line 4b from line 2b. . . . .				
<b>c</b> 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. . . . .				
<b>d</b> Subtract line 6c from line 6b Taxable amount—see instructions . . . . .				
<b>e</b> Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount—see instructions . . . . .				
<b>f</b> Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013. . . . .				0
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions). . . . .				
<b>8</b> Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions). . . . .	5,682			
<b>9</b> <b>Excess distributions carryover to 2013.</b> Subtract lines 7 and 8 from line 6a. . . . .	34,002			
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2008. . . . .	4,686			
<b>b</b> Excess from 2009. . . . .				
<b>c</b> Excess from 2010. . . . .	17,221			
<b>d</b> Excess from 2011. . . . .	8,833			
<b>e</b> Excess from 2012. . . . .	3,262			

**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. . . . .

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

**Part XV Supplementary Information (Complete this part only if the organization 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) )

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**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

**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

ROBERT L DUVALL  
 P O BOX 1315  
 MARSHALL, TX 75671  
 (903) 938-0331

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

ORGANIZATION DESCRIPTION, EXEMPT STATUS & REASON FOR REQUEST AND AN AMOUNT

**c** Any submission deadlines

OCTOBER 31ST

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

LIMITED TO 501(c)(3) EXEMPT ORGANIZATIONS, NO LIMIT ON AMOUNT

**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)				
<b>a</b> <i>Paid during the year</i> EAST TX AREA COUNCIL BOY SCOUTS OF 1331 E 5TH TYLER, TX 75701	NONE	501C(3)	GENERAL CONTRIBUTION TO BOY SCOUTS OF AMERICA	600
EAST TEXAS BAPTIST UNIVERSITY 1209 N GROVE ST MARSHALL, TX 75670	NONE	501C(3)	TEACHING OF HISTORY OF RELIGIONS & RELIGIOUS PRINCIPLES	12,000
<b>Total . . . . .</b>				<b>12,600</b>
<b>b</b> <i>Approved for future payment</i>				
<b>Total . . . . .</b>				<b>3b</b>



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... 1a(2) Other assets... 1b(1) Sales of assets... 1b(2) Purchases of assets... 1b(3) Rental of facilities... 1b(4) Reimbursement arrangements... 1b(5) Loans or loan guarantees... 1b(6) Performance of services... 1c Sharing of facilities...

Table with 4 columns: (a) Line No, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements.

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... [ ] Yes [x] No

Table with 3 columns: (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 or fiduciary) is based on all information of which preparer has any knowledge. Signature of officer or trustee: \*\*\*\*\* Date: 2013-05-14 Title: \*\*\*\*\*

Paid Preparer Use Only Print/Type preparer's name: Robert L Duvall CPA, Preparer's Signature: Robert L Duvall CPA, Date: 2013-05-14, Check if self-employed: [x], PTIN: P01422383, Firm's name: Knuckols Duvall Hallum & Co, Firm's address: 204 S Wellington, Marshall, TX 75670, Firm's EIN: [ ], Phone no: (903) 938-0331

**Form 990PF Part VIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation**

<b>(a)</b> Name and address	<b>(b)</b> Title, and average hours per week devoted to position	<b>(c)</b> Compensation <b>(If not paid, enter -0-)</b>	<b>(d)</b> Contributions to employee benefit plans and deferred compensation	<b>(e)</b> Expense account, other allowances
J RODNEY GILSTRAP 107 AZALEA WAY MARSHALL, TX 75670	TRUSTEE 2 00	0		
WILLIAM M RUNNELS 2206 E PINECREST DR ATLANTA, TX 75551	TRUSTEE 1 00	2,000		
JUDGE WILLIAM J CORNELIUS 115 NORTH POLK JEFFERSON, TX 75657	Chairman 1 00	1,500		
ROBERT DUVAL PO BOX 1315 MARSHALL, TX 75670	V CHAIRMAN/SEC 3 00	2,000		
BILLY J DAVIDSON 3240 BOB-O-LINK GILMER, TX 75644	TRUSTEE 1 00	2,000		

## TY 2012 Accounting Fees Schedule

**Name:** DAVIDSON FOUNDATION

**EIN:** 75-6038584

**Software ID:** 12000229

**Software Version:** 2012v2.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Accounting Fees	6,454	0	0	0

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

## TY 2012 Depreciation Schedule

**Name:** DAVIDSON FOUNDATION

**EIN:** 75-6038584

**Software ID:** 12000229

**Software Version:** 2012v2.0

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
LONGHORN BULL	2012-01-23	450		91	7 0000	59			
REFORESTATION COSTS	2010-01-01	2,980	298	91	10 0000	298			
RANCH HOUSE IMPROVEMENT	1999-04-21	6,895	2,179	91	40 0000	172			
RANCH HOUSE IMPROVEMENT	1996-01-15	1,280	480	91	40 0000	32			
RANCH HOUSE IMPROVEMENT	1996-02-10	1,425	540	91	40 0000	36			
RANCH HOUSE IMPROVEMENT	1996-01-16	985	375	91	40 0000	25			
RANCH HOUSE	1995-12-29	54,920	20,595	91	40 0000	1,373			
REFORESTATION	2004-04-28	6,300	1,260	91	10 0000	630			
REFORESTATION COSTS	2002-04-18	4,800	1,623	91	10 0000	160			
REFORESTATION COSTS	2002-02-05	18,608	6,956	91	10 0000	155			
EQUIPMENT	2007-09-04	3,074	1,664	91	8 0000	384			
EQUIPMENT	2007-04-25	479	280	91	8 0000	60			
SIDEWALK	2007-04-11	2,160	684	91	15 0000	144			
FENCES & ROADWAY	2007-05-02	16,594	5,162	91	15 0000	1,106			
TABLES	2007-04-30	2,663	830	91	15 0000	178			

**TY 2012 Investments Corporate  
Stock Schedule**

**Name:** DAVIDSON FOUNDATION

**EIN:** 75-6038584

**Software ID:** 12000229

**Software Version:** 2012v2.0

Name of Stock	End of Year Book Value	End of Year Fair Market Value
Royal Dutch Shell PLC ADR A	9,922	10,549
Proctor & Gamble	9,901	10,455
Pepsico Inc.	9,884	9,991
Johnson & Johnson	9,914	10,725
Emerson Electric Co	9,885	9,586

# TY 2012 Land, Etc. Schedule

**Name:** DAVIDSON FOUNDATION

**EIN:** 75-6038584

**Software ID:** 12000229

**Software Version:** 2012v2.0

Category / Item	Cost / Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
Miscellaneous	222,506	117,897	104,609	104,609
Land	135,750		135,750	135,750
Improvements	87,609	71,283	16,326	16,326
Buildings	254,534	29,307	225,227	225,227
Machinery and Equipment	33,053	31,368	1,685	1,685
Furniture and Fixtures	15,518	13,863	1,655	1,655
Auto./Transportation Equip.	3,800	3,800		

## TY 2012 Other Assets Schedule

**Name:** DAVIDSON FOUNDATION

**EIN:** 75-6038584

**Software ID:** 12000229

**Software Version:** 2012v2.0

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
Rounding		1	

## TY 2012 Other Expenses Schedule

**Name:** DAVIDSON FOUNDATION

**EIN:** 75-6038584

**Software ID:** 12000229

**Software Version:** 2012v2.0

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
TREE REMOVAL EXPENSE	2,890			
TIMBER SALE EXPENSES	1,102			
TIMBER & LAND MANAGEMENT	13,800			
TELEPHONE & UTILITIES	4,333			
SUPPLIES	391			
SAFETY DEPOSIT BOX	100			
REPAIRS & MAINTENANCE	2,652			
OPERATING EXPENSE	500			
OFFICE EXPENSES	225			
MEMORIAL EXPENSES	165			
MEETING EXPENSE	9,694			
INSURANCE	4,455			
FEED & FERTILIZER	391			
EMPLOYEE INSURANCE	13,177			
DUES	72			
DEER LICENSE FEES	252			

## TY 2012 Other Income Schedule

**Name:** DAVIDSON FOUNDATION

**EIN:** 75-6038584

**Software ID:** 12000229

**Software Version:** 2012v2.0

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
TIMBER SALES	10,033		
OIL & GAS ROYALTY INCOME	32,644		
FOUNDATION USER FEES	2,164		

# TY 2012 Taxes Schedule

**Name:** DAVIDSON FOUNDATION

**EIN:** 75-6038584

**Software ID:** 12000229

**Software Version:** 2012v2.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
PROPERTY TAXES	6,161			
PRODUCTONS TAXES - O & G	827			
PAYROLL TAXES	1,196			
FOREIGN INVESTMENT TAX	79		79	
FEDERAL EXCISE TAX	72			