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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.

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

Name of foundation

DeMund Foundation

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

A Employer identification number

86-6052388**5206 Parkwood School Rd.**

City or town, state, and ZIP code

Waxhaw, NC 28173

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

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

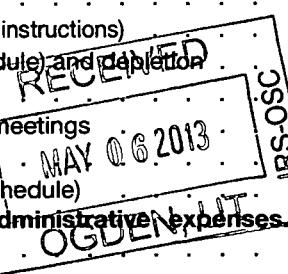
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$ **1,294,156** (Part I, column (d) must be on cash basis.) **J** Accounting method: Cash Accrual
 Other (specify) _____

B Telephone number (see instructions)**704-243-7285****C** If exemption application is pending, check here ► **D** 1. Foreign organizations, check here . . . ► 2. Foreign organizations meeting the 85% test, check here and attach computation . . . ► **E** If private foundation status was terminated under section 507(b)(1)(A), check here . . . ► **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)
1 Contributions, gifts, grants, etc., received (attach schedule)					
2 Check ► <input type="checkbox"/> if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments		8,980	8,980		
4 Dividends and interest from securities		47,861	47,861		
5a Gross rents					
b Net rental income or (loss) _____					
6a Net gain or (loss) from sale of assets not on line 10					
b Gross sales price for all assets on line 6a _____					
7 Capital gain net income (from Part IV, line 2)			10,895		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11		56,841	67,736		
13 Compensation of officers, directors, trustees, etc.					
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees (attach schedule)					
b Accounting fees (attach schedule)					
c Other professional fees (attach schedule)					
17 Interest					
18 Taxes (attach schedule) (see instructions)			707		
19 Depreciation (attach schedule) and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications		200			
23 Other expenses (attach schedule)					
24 Total operating and administrative expenses. Add lines 13 through 23		907			
25 Contributions, gifts, grants paid		61,000			
26 Total expenses and disbursements. Add lines 24 and 25		61,907	61,907		61,907
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		(5,066)			
b Net investment income (if negative, enter -0-)			56,841		
c Adjusted net income (if negative, enter -0-)					

MAY 16 2013
REVENUE
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Operating and Administrative Expenses



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	54,129		67,608
	2	Savings and temporary cash investments			
	3	Accounts receivable ►			
		Less: allowance for doubtful accounts ►			
	4	Pledges receivable ►			
		Less: allowance for doubtful accounts ►			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach schedule) ►			
		Less: allowance for doubtful accounts ►			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U.S. and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)	561,090		472,399
	c	Investments—corporate bonds (attach schedule)	328,867		117,964
Liabilities	11	Investments—land, buildings, and equipment: basis ►			
		Less: accumulated depreciation (attach schedule) ►			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)			
	14	Land, buildings, and equipment: basis ►			
		Less: accumulated depreciation (attach schedule) ►			
	15	Other assets (describe ► Mutual Funds, Preferreds)	290,874		636,185
	16	Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	1,234,960		1,294,156
	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 ► <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	Total net assets or fund balances (see instructions)	1,235,064	1,235,064	
	31	Total liabilities and net assets/fund balances (see instructions)			

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	1,235,064
2	Enter amount from Part I, line 27a	2	(5,066)
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	1,229,998
5	Decreases not included in line 2 (itemize) ►	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	1,229,998

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 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) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))		
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any			
a					
b					
c					
d					
e					
2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }			2	10,895	
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	151	

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	61,000	1,235,064	4.9
2010	61,000	1,234,960	5.0
2009	61,000	1,205,726	4.9
2008	61,000	1,205,726	5.0
2007	69,000	1,158,198	5.9

- 2 Total of line 1, column (d) **2** **25.7**
- 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** **5.14**
- 4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5 **4** **1,126,686**
- 5 Multiply line 4 by line 3 **5** **57,912**
- 6 Enter 1% of net investment income (1% of Part I, line 27b) **6** **58**
- 7 Add lines 5 and 6 **7** **57,970**
- 8 Enter qualifying distributions from Part XII, line 4 **8**

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 ► <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions)	1 2 3 4 5	568 0 568 0 568
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		
3	Add lines 1 and 2	2	0
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	3	568
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	4	0
6	Credits/Payments:	5	568
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	0
b	Exempt foreign organizations—tax withheld at source	6b	0
c	Tax paid with application for extension of time to file (Form 8868)	6c	0
d	Backup withholding erroneously withheld	6d	0
7	Total credits and payments. Add lines 6a through 6d	7	0
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	0
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	568
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11	Enter the amount of line 10 to be: Credited to 2013 estimated tax ► Refunded ►	11	

Part VII-A Statements Regarding Activities

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?	Yes	No
1a		✓	
1b		✓	
1c		✓	
2	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	2	✓
<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>			
c	Did the foundation file Form 1120-POL for this year?		
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?		
<i>If "Yes," attach a detailed description of the activities.</i>			
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? <i>If "Yes," attach a conformed copy of the changes</i>		
3		✓	
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?		
4a		✓	
b	If "Yes," has it filed a tax return on Form 990-T for this year?		
4b			
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year?		
5		✓	
<i>If "Yes," attach the statement required by General Instruction T.</i>			
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either:		
<ul style="list-style-type: none"> ● 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		✓	
7	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>		
7		✓	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ► Arizona		
8b	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>		
8b		✓	
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)? <i>If "Yes," complete Part XIV</i>		
9		✓	
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		
10		✓	

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		✓
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		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ►	13	✓	
14	The books are in care of ► Charles N. DeMund, President Located at ► 5206 Parkwood School Rd., Waxhaw, NC	Telephone no. ►	704-243-7285	
		ZIP+4 ►	28173	
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 the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	Yes	No ✓

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	<p>During the year did the foundation (either directly or indirectly):</p> <p>(1) Engage in the sale or exchange, or leasing of property with a disqualified person?</p> <p>(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?</p> <p>(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?</p> <p>(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?</p> <p>(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)?</p> <p>(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.)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
1b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ►□		
1c	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)):		
2a	<p>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?</p> <p>If "Yes," list the years ► 20____, 20____, 20____, 20____</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
2b	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.)		✓
3a	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► 20____, 20____, 20____, 20____		
3b	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
4a	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.)		✓
4b	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? 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:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 ► <input type="checkbox"/>				
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?	<input type="checkbox"/> Yes <input type="checkbox"/> No			
	<i>If "Yes," attach the statement required by Regulations section 53.4945–5(d).</i>				
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		6b	✓
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?				
	<i>If "Yes" to 6b, file Form 8870.</i>				
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		7b	
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?				

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 Schedule 1				

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 N/A	
2	
All other program-related investments. See instructions.	
3	

Total. Add lines 1 through 3

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	1,178,165
b	Average of monthly cash balances	1b	13,521
c	Fair market value of all other assets (see instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	1,191,686
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	1,191,686
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	65,000
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,126,686
6	Minimum investment return. Enter 5% of line 5	6	56,334

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	56,334
2a	Tax on investment income for 2012 from Part VI, line 5	2a	568
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	568
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	55,766
4	Recoveries of amounts treated as qualifying distributions	4	0
5	Add lines 3 and 4	5	55,766
6	Deduction from distributable amount (see instructions)	6	0
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	55,766

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	61,907
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	61,907
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	56
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	61,851

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				55,766
2 Undistributed income, if any, as of the end of 2012:				
a Enter amount for 2011 only				
b Total for prior years: 20 ____ ,20 ____ ,20 ____				
3 Excess distributions carryover, if any, to 2012:				
a From 2007	5,614			
b From 2008	12,252			
c From 2009	15,428			
d From 2010	3,635			
e From 2011	0			
f Total of lines 3a through e	36,929			
4 Qualifying distributions for 2012 from Part XII, line 4: ► \$ <u>61,907</u>				
a Applied to 2011, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see instructions)				
c Treated as distributions out of corpus (Election required—see instructions)				
d Applied to 2012 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a).)	0			
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount—see instructions				
e Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount—see instructions				
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9:				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

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

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

1 Information Regarding Foundation Managers:

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

N/A

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

N/A

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

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

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

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

- c** Any submission deadlines:

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

Part XV **Supplementary Information (continued)**

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
See Schedule 2				
Total			► 3a	61,000
b Approved for future payment				
Total			► 3b	0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions.)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities					
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					
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)					
13 Total. Add line 12, columns (b), (d), and (e)					
(See worksheet in line 13 instructions to verify calculations.)					

(See worksheet in line 13 instructions to verify calculations.)

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

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

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.

4/30/13 ► President

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 <input type="checkbox"/> if self-employed	PTIN
	Firm's name ►		Firm's EIN ►		
	Firm's address ►		Phone no.		

SCHEDULE 1

Officers, Directors, Trustees & Foundation Managers - 2012

<u>Names & addresses</u>	<u>Office Held</u>	<u>Trustee</u>	<u>Average Hr/Wk Devoted to Position</u>
Charles N. DeMund 5205 Parkwood School Rd. Waxhaw, NC 28173	President	X	4
Stephen Clarke 8525 Dunwoody Place Atlanta, GA 30350	Vice-President	X	1
Douglas R. Chandler 2800 N. Central Ave. Phoenix, AZ 85003	Secretary	X	1
Laurie Clarke 1365 Cashiers Way Roswell, GA 30075		X	1
Erin DeMund 9413 Covedale Dr Charlotte, NC 28270		X	1
Corey Nutting 9413 Covedale Dr Charlotte, NC 28270		X	1

SCHEDULE 2

Part XV - Supplementary Information 3

<u>2012 GRANTS</u>	Purpose	Amount
Arizona State University Tempe, AZ	Scholarships	\$16,000
University of Arizona Tucson, AZ	Scholarships	16,000
Northern Arizona University Flagstaff, AZ	Scholarships	16,000
Albright College Reading, PA	Scholarships	7,000
Phoenix College Classical Studies Phoenix, AZ	Scholarships	4,000
Orme School Mayer, AZ	Scholarships	<u>2,000</u>
	Total	\$61,000

Part X - Line 4

A portion of annual grants is deemed held as cash for purposes of calculating minimum investment return. 2012 amount = \$70,000. This is done to eliminate need to cash out investments when grant checks are written.

SCHEDULE 3 - 2012

SUPPLEMENTARY INFORMATION FOR FEDERAL FORM 990-PF - 2

	<u>Charitable Purposes</u>	<u>Amount</u>	<u>Part/Line #</u>
Business forms printing/software	x	200	1 / 22
<u>Grant Criteria, etc.</u>			XV 2

The DeMund Foundation was created in 1947 by the late Herman E. DeMund and his wife, Ruth K. DeMund primarily for the purpose of granting to deserving students financial assistance through scholarships and grants. The foundation, since its inception, has primarily directed its educational grants to three Arizona universities - University of Arizona, Arizona State University and Northern Arizona University - and to Albright College, where Mrs. DeMund's father was president for many years.

Individual scholarship grants are awarded by the institutions on the basis of merit and need, as determined by the scholarship committee, and are not available to relatives of the foundation's trustees. Individual applications can only be submitted through proper channels at the institutions.



86-60523 88
Demund Foundation

PART III

2012 SUMMARY AMENDMENT

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Amended Date: 2/22/13

THE DEMUND FOUNDATION
CHARLES N DEMUND, PRES
5206 PARKWOOD SCHOOL ROAD
WAXHAW NC 28173-9216

Your Financial Advisor :
THOMAS M BATSON
20551 NORTH PIMA ROAD
SUITE 200
SCOTTSDALE, AZ 85255
(480) 419-9600

Account Number: 5326-3942

Year-End Account Summary

This Information Is NOT provided to the Internal Revenue Service, but is being provided to you for courtesy purposes.
Please consult with your Financial Advisor or Tax Advisor regarding specific questions.

For non covered transactions, we provide supplemental cost basis information, when it is available, to assist you with completing your tax return, however, THIS INFORMATION IS NOT PROVIDED TO THE INTERNAL REVENUE SERVICE

SHORT TERM GAINS OR LOSSES (Box 1c) FOR COVERED SECURITIES (Box 6)

Proceeds from Broker and Barter Exchange Transactions for 2012

SUPPLEMENTAL INFORMATION								
Description (Box 8) Stock or Other Symbol (Box 1d)	Quantity Sold (Box 1e)	Unit Price	Date of Acquisition (Box 1b)	Date of Sale or Exchange (Box 1a)	Sales Price (Box 2a)*	Cost or Other Basis (Box 3)	Gain or Loss Amount	Transaction Description
DUKE ENERGY CORP COM NEW CUSIP 26441C204	0 3333	N/A	07/03/12	07/03/12	23 09	0 01	23 08	CASH IN LIEU
GLOBAL INCOME & CURRENCY FUND INC CUSIP 378990667	156 0000	N/A	01/19/12	04/27/12	2,274 48	2,072 70	201 78	TENDER
GLOBAL INCOME & CURRE FUND INC CUSIP 3789968101	744 0000	13 43010	01/19/12	05/10/12	9,810 92	9,885 24	-74 32	SALE
TOTAL SHORT TERM GAINS OR LOSSES FOR COVERED SECURITIES							12,108.49	11,957.95
150.54								

LONG TERM GAINS OR LOSSES (Box 1c) FOR NONCOVERED SECURITIES (Box 6)

Proceeds from Broker and Barter Exchange Transactions for 2012

SUPPLEMENTAL INFORMATION								
Description (Box 8) Stock or Other Symbol (Box 1d)	Quantity Sold (Box 1e)	Unit Price	Date of Acquisition (Box 1b)	Date of Sale or Exchange (Box 1a)	Sales Price (Box 2a)*	Cost or Other Basis (Box 3)	Gain or Loss Amount	Transaction Description
AEGON N V ORD AMER REG CUSIP 007924103	901 0000	3 93410	12/10/86	01/09/12	3,429 55	10,644 57	-7,215 02	SALE
APACHE CORP COMMON CUSIP 037411105	25 0000	98 67000	11/20/08	01/09/12	2,386 45	1,686 69	699 76	SALE
CATERPILLAR FINANCIAL S POWER NOTES SEMI-ANNUAL PAY CPN 5 800% DUE 12/15/12 CUSIP 14912HND8	50,000 0000	N/A	12/18/08	12/17/12	50,000 00	50,000 00	0 00	REDEMPTION

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2012 SUMMARY AMENDMENT

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Amended Date: 2/22/13

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CHARLES N DEMUND, PRES
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WAXHAW NC 28173-9216

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SCOTTSDALE, AZ 85255
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Account Number: 5326-3942

Year-End Account Summary

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LONG TERM GAINS OR LOSSES (Box 1c) FOR NONCOVERED SECURITIES (Box 6)

continued

Proceeds from Broker and Barter Exchange Transactions for 2012

SUPPLEMENTAL INFORMATION

>Description (Box 8) Stock or Other Symbol (Box 1d)	Quantity Sold (Box 1e)	Unit Price	Date of Acquisition (Box 1b)	Date of Sale or Exchange (Box 1e)	Sales Price (Box 2a)*	Cost or Other Basis (Box 3)	Gain or Loss Amount	Transaction Description
CHARLES RIVER LABORATORIES CUSIP 159864107	175 0000	27 77000	VARIOUS	01/09/12	4,756 23	6,323 14	-1,566 91	SALE
CISCO SYSTEMS INC CUSIP 17275R102	270 0000	19 83300	VARIOUS	01/19/12	5,259 63	5,534.40	-274 77	SALE
	100 0000	19 83000	VARIOUS	01/19/12	1,942 71	2,711 08	-768 37	SALE
Subtotal	370.0000				7,202.34	8,245.48	-1,043.14	
COVANCE INC CUSIP 222816100	70 0000	46 27000	12/17/08	01/19/12	3,144 46	2,973 57	170 89	SALE
DIAGEO PLC SPONSORED ORD NEW CUSIP 25243Q205	75 0000	113 83000	VARIOUS	10/15/12	8,397 22	5,248 38	3,148 84	SALE
FISERV INC CUSIP 337738108	115 0000	62 54380	VARIOUS	01/19/12	7,086 77	5,137 59	1,949 18	SALE
FIVE STAR QUALITY CARE CUSIP 33832D106	20 0000	3 42000	01/02/02	01/19/12	50 40	145 20	-94 80	SALE
FRANKLIN RESOURCES INC CUSIP 354613101	40 0000	98 67000	03/12/08	01/09/12	3,842.89	3,800 33	42 56	SALE
GOOGLE INC CL A CUSIP 38259P508	17 0000	635 55000	VARIOUS	01/19/12	10,695 79	7,550 91	3,144 88	SALE
GREAT PLAINS ENERGY INC CUSIP 391164100	100 0000	20 87300	07/16/08	01/19/12	2,011 53	2,563 55	-552 02	SALE
HOSPIRA INC CUSIP 441060100	180 0000	30 23800	12/10/86	01/09/12	5,336 28	692 70	4,643 58	SALE
JACOBS ENGINEERNG GROUP CUSIP 469814107	75 0000	45 19000	VARIOUS	01/19/12	3,292 27	3,371 90	-79 63	SALE

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**LONG TERM GAINS OR LOSSES (Box 1c) FOR NONCOVERED SECURITIES (Box 6)
 Proceeds from Broker and Barter Exchange Transactions for 2012**
continued
SUPPLEMENTAL INFORMATION

Description (Box 8) Stock or Other Symbol (Box 1a)	Quantity Sold (Box 1a)	Unit Price	Acquisition (Box 1b)	Date of or Exchange (Box 1a)	Sales Price (Box 2a)*	Cost or Other Basis (Box 3)	Gain or Loss Amount	Transaction Description
MARKEL CORP CUSIP 570535104	14 0000	405.63000	VARIOUS	01/09/12	5,574.73	5,153.10	421.63	SALE
MEDCO HEALTH SOLUTION INC CUSIP 58405U102	192 0000	61.77070	08/21/03	01/19/12	11,693.28	2,341.92	9,351.36	SALE
MEDTRONIC INC CUSIP 585055106	100 0000	43.01500	VARIOUS	10/15/12	4,216.23	5,039.11	-822.88	SALE
	40 0000	43.01400	VARIOUS	10/15/12	1,688.45	1,472.12	216.33	SALE
Subtotal	140.0000				5,904.68	6,511.23	-606.55	
MOHAWK IND'S INC CUSIP 608190104	80 0000	59.50000	VARIOUS	01/09/12	4,653.11	3,557.41	1,095.70	SALE
MORGAN STANLEY INCME SECURITIES INC CUSIP 61745P874	300 0000	18.85000	06/12/02	10/15/12	5,549.62	4,942.84	606.78	SALE
QUEST DIAGNOSTICS INC CUSIP 74834L100	85 0000	58.06000	VARIOUS	01/09/12	4,825.59	3,994.04	831.55	SALE
STAPLES INC CUSIP 855030102	185 0000	11.19500	VARIOUS	10/15/12	1,984.14	3,796.88	-1,812.74	SALE
STATE STR CORP CUSIP 857477103	70 0000	41.83000	VARIOUS	01/09/12	2,838.42	4,965.26	-2,126.84	SALE
ZIMMER HOLDINGS INC CUSIP 98956P102	100 0000	62.87340	VARIOUS	10/15/12	6,172.90	6,286.61	-113.71	SALE
TOTAL LONG TERM GAINS OR LOSSES FOR NONCOVERED SECURITIES					160,828.65	149,933.30	10,895.35	