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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

For calendar year 2007, or tax year beginning , and ending  
Check all that apply ☒ Initial return ☐ Final return ☐ Amended return ☐ Address change ☐ Name change

Use the IRS label. Otherwise, print or type.  
See Specific Instructions.

Name of foundation  
**GEORGE & NANCY BLANTON ENDOWMENT TRUST**

Number and street (or P O box number if mail is not delivered to street address) Room/suite  
**PO BOX 168**

City or town, state, and ZIP code  
**SHELBY NC 28151-0168**

A Employer identification number  
**77-6257600**

B Telephone number (see page 10 of the instructions)  
**704-484-6233**

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 ☐

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) **\$ 1,024,367**

J Accounting method ☒ Cash ☐ Accrual  
☐ Other (specify)

(Part I, column (d) must be on cash basis)

Single checked

Revenue

Operating and Administrative Expenses

SCANNED DEC 05 2012

STATUTE UNIT RECEIVED NOV 26 2012 1PK BRANCH OGDEN

RECEIVED NOV 19 2012 OGDEN, UT IRS OSC

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 pg 11 of the 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)	896,373			
2	Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments	17,590	17,590	17,590	
4	Dividends and interest from securities	8,048	8,048	8,048	
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	88,742			
b	Gross sales price for all assets on line 6a <b>1,165,119</b>				
7	Capital gain net income (from Part IV, line 2)		88,742		
8	Net short-term capital gain			0	
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule)				
12	Total. Add lines 1 through 11	1,010,753	114,380	25,638	
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 page 14 of the instructions)				
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (att sch) <b>Stmt 1</b>	5,153	5,153		
24	Total operating and administrative expenses. Add lines 13 through 23	5,153	5,153		0
25	Contributions, gifts, grants paid	30,000			30,000
26	Total expenses and disbursements. Add lines 24 and 25	35,153	5,153	0	30,000
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements	975,600			
b	Net investment income (if negative, enter -0-)		109,227		
c	Adjusted net income (if negative, enter -0-)			25,638	

glo  
line



**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
<b>Assets</b>	1 Cash—non-interest-bearing			
	2 Savings and temporary cash investments		262,778	262,778
	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 page 16 of the instructions)			
	7 Other notes and loans receivable (att. 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) Stmt 2		373,313	376,804
	b Investments—corporate stock (attach schedule) See Stmt 3		283,230	331,987
	c Investments—corporate bonds (attach schedule)			
	11 Investments—land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch.) ▶			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule) See Statement 4		55,160	52,798
	14 Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch.) ▶			
	15 Other assets (describe ▶ )			
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	0	974,481	1,024,367
<b>Liabilities</b>	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	
<b>Net Assets or Fund Balances</b>	Foundations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted		974,481	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here <input 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 page 17 of the instructions)	0	974,481	
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	0	974,481	

**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	
2 Enter amount from Part I, line 27a	2	975,600
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	975,600
5 Decreases not included in line 2 (itemize) ▶ See Statement 5	5	1,119
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	974,481



**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 See Worksheet</b>				
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</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

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
<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)	<div style="border: 1px solid black; padding: 2px;">           If gain, also enter in Part I, line 7            If (loss), enter -0- in Part I, line 7         </div>	<b>2</b>	<b>88,742</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 pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8		<b>3</b>	<b>-8,839</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

**N/A**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))
2006			
2005			
2004			
2003			
2002			

<b>2</b> Total of line 1, column (d)	<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	<b>3</b>	
<b>4</b> Enter the net value of noncharitable-use assets for 2007 from Part X, line 5	<b>4</b>	
<b>5</b> Multiply line 4 by line 3	<b>5</b>	
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)	<b>6</b>	
<b>7</b> Add lines 5 and 6	<b>7</b>	
<b>8</b> Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.	<b>8</b>	



**Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the 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 letter (attach copy of ruling letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	2,185
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0
3	Add lines 1 and 2	3	2,185
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-	5	2,185
6	Credits/Payments		
a	2007 estimated tax payments and 2006 overpayment credited to 2007	6a	
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	
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter amount owed	9	2,185
10	<b>Overpayment.</b> 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 2008 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	

**Part VII-A Statements Regarding Activities**

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ (2) On foundation managers <input type="checkbox"/> \$		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <input type="checkbox"/>		
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 See Stmt 6		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 2007 or the taxable year beginning in 2007 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	X	

N/A

11/15 INT 11,098 FTF 50,000 FTP 546 TOT 63,829 Form 990-PF (2007)



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

<b>11a</b>	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 page 20 of the instructions)	<b>11a</b>		<b>X</b>
<b>b</b>	If "Yes," did the foundation have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in the attachment for line 11a?	<b>11b</b>		
<b>12</b>	Did the foundation acquire a direct or indirect interest in any applicable insurance contract?	<b>12</b>		<b>X</b>
<b>13</b>	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	<b>13</b>	<b>X</b>	

Website address ► **N/A**

**14** The books are in care of ► **FIRST NATIONAL BANK** Telephone no ► **704-484-6233**  
**106 S LAFAYETTE ST**  
 Located at ► **SHELBY, NC** ZIP+4 ► **28150**

**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**

**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
<b>1a</b>	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<b>b</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 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A	
<b>c</b>	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 2007?	N/A	
<b>2</b>	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))		
<b>a</b>	At the end of tax year 2007, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2007?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	If "Yes," list the years ► 20 , 20 , 20 , 20		
<b>b</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 page 22 of the instructions.)	N/A	
<b>c</b>	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		
<b>3a</b>	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<b>b</b>	If "Yes," did it have excess business holdings in 2007 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 2007.)	N/A	
<b>4a</b>	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	<b>4a</b>	<b>X</b>
<b>b</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 2007?	<b>4b</b>	<b>X</b>



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

<p><b>5a</b> During the year did the foundation pay or incur any amount to</p> <p>(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?</p> <p>(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?</p> <p>(3) Provide a grant to an individual for travel, study, or other similar purposes?</p> <p>(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 page 22 of the instructions)</p> <p>(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p><b>5b</b></p>	<p><b>5b</b></p>	<p><b>5b</b></p>
<p><b>b</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 page 22 of the instructions)?</p> <p>Organizations relying on a current notice regarding disaster assistance check here</p>		<p><b>N/A</b></p>		
<p><b>c</b> 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?</p> <p>If "Yes," attach the statement required by Regulations section 53.4945-5(d)</p>		<p><b>N/A</b></p>		
<p><b>6a</b> Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?</p>		<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>		
<p><b>b</b> Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?</p> <p>If you answered "Yes" to 6b, also file Form 8870</p>		<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>		
<p><b>7a</b> At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?</p>		<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>		
<p><b>b</b> If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?</p>		<p><b>N/A</b></p>		

**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 page 23 of the 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
FIRST NATIONAL BANK TRUST DEPARTMENT 106 S LAFAYETTE ST SHELBY NC 28150	TRUSTEE 0	5,153	0	0

**2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the 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 page 23 of the 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> PRESERVATION NORTH CAROLINA FOR THE MAINTENANCE ON THE BANKERS' HOUSE (HISTORICAL HOME) IN SHELBY, NC	30,000
<b>2</b>	
<b>3</b>	
<b>4</b>	

**Part IX-B Summary of Program-Related Investments (see page 24 of the 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> N/A	
<b>2</b>	
All other program-related investments. See page 24 of the instructions	
<b>3</b>	

Total. Add lines 1 through 3 ▶



**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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>	950,007
<b>b</b>	Average of monthly cash balances	<b>1b</b>	62,702
<b>c</b>	Fair market value of all other assets (see page 25 of the instructions)	<b>1c</b>	0
<b>d</b>	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	1,012,709
<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>	0
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	1,012,709
<b>4</b>	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions)	<b>4</b>	15,191
<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>	997,518
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	49,876

**Part XI Distributable Amount** (see page 25 of the 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>	49,876
<b>2a</b>	Tax on investment income for 2007 from Part VI, line 5	<b>2a</b>	2,185
<b>b</b>	Income tax for 2007 (This does not include the tax from Part VI.)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	2,185
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	47,691
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	
<b>5</b>	Add lines 3 and 4	<b>5</b>	47,691
<b>6</b>	Deduction from distributable amount (see page 25 of the instructions)	<b>6</b>	
<b>7</b>	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	47,691

**Part XII Qualifying Distributions** (see page 26 of the 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>	30,000
<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>	30,000
<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 page 26 of the instructions)	<b>5</b>	0
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	30,000

**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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2006	(c) 2006	(d) 2007
<b>1</b> Distributable amount for 2007 from Part XI, line 7				<b>47,691</b>
<b>2</b> Undistributed income, if any, as of the end of 2006				
<b>a</b> Enter amount for 2006 only				
<b>b</b> Total for prior years 20____, 20____, 20____				
<b>3</b> Excess distributions carryover, if any, to 2007				
<b>a</b> From 2002				
<b>b</b> From 2003				
<b>c</b> From 2004				
<b>d</b> From 2005				
<b>e</b> From 2006				
<b>f</b> Total of lines 3a through e				
<b>4</b> Qualifying distributions for 2007 from Part XII, line 4 ▶ \$ <b>30,000</b>				
<b>a</b> Applied to 2006, but not more than line 2a				
<b>b</b> Applied to undistributed income of prior years (Election required—see page 27 of the instructions)				
<b>c</b> Treated as distributions out of corpus (Election required—see page 27 of the instructions)				
<b>d</b> Applied to 2007 distributable amount				<b>30,000</b>
<b>e</b> Remaining amount distributed out of corpus				
<b>5</b> Excess distributions carryover applied to 2007 (If an amount appears in column (d), the same amount must be shown in column (a) )				
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5				
<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 page 27 of the instructions				
<b>e</b> Undistributed income for 2006 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
<b>f</b> Undistributed income for 2007 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2008				<b>17,691</b>
<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 page 27 of the instructions)				
<b>8</b> Excess distributions carryover from 2002 not applied on line 5 or line 7 (see page 27 of the instructions)				
<b>9</b> Excess distributions carryover to 2008. Subtract lines 7 and 8 from line 6a				
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2003				
<b>b</b> Excess from 2004				
<b>c</b> Excess from 2005				
<b>d</b> Excess from 2006				
<b>e</b> Excess from 2007				



**Part XIV Private Operating Foundations** (see page 27 of the instructions and Part VII-A, question 9)

<b>1a</b> If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2007, enter the date of the ruling					
<b>b</b> Check box to indicate whether the foundation is a private operating foundation described in section	<input type="checkbox"/> 4942(j)(3) or				<input type="checkbox"/> 4942(j)(5)
<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	Tax year	Prior 3 years			(e) Total
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	
<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 foundation had \$5,000 or more in assets at any time during the year—see page 28 of the instructions.)

<b>1 Information Regarding Foundation Managers:</b>
<b>a</b> 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) ) <b>N/A</b>
<b>b</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 <b>N/A</b>
<b>2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:</b>
Check here <input checked="" type="checkbox"/> 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 page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.
<b>a</b> The name, address, and telephone number of the person to whom applications should be addressed <b>N/A</b>
<b>b</b> The form in which applications should be submitted and information and materials they should include <b>N/A</b>
<b>c</b> Any submission deadlines <b>N/A</b>
<b>d</b> Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors <b>N/A</b>



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

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 PRESERVATION NC 220 FAYETTEVILLE ST # 200 RALEIGH NC 27601			MAINTENANCE OF THE BANKERS HOUSE	30,000
Total					▶ 3a 30,000
b	Approved for future payment N/A				
Total					▶ 3b



## Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	Related or exempt function income (See page 28 of the instructions )
<b>1</b> Program service revenue					
<b>a</b> _____					
<b>b</b> _____					
<b>c</b> _____					
<b>d</b> _____					
<b>e</b> _____					
<b>f</b> _____					
<b>g</b> Fees and contracts from government agencies					
<b>2</b> Membership dues and assessments					
<b>3</b> Interest on savings and temporary cash investments			<b>14</b>	<b>17,590</b>	
<b>4</b> Dividends and interest from securities			<b>14</b>	<b>8,048</b>	
<b>5</b> Net rental income or (loss) from real estate					
<b>a</b> Debt-financed property					
<b>b</b> Not debt-financed property					
<b>6</b> Net rental income or (loss) from personal property					
<b>7</b> Other investment income					
<b>8</b> Gain or (loss) from sales of assets other than inventory			<b>18</b>	<b>88,742</b>	
<b>9</b> Net income or (loss) from special events					
<b>10</b> Gross profit or (loss) from sales of inventory					
<b>11</b> Other revenue <b>a</b> _____					
<b>b</b> _____					
<b>c</b> _____					
<b>d</b> _____					
<b>e</b> _____					
<b>12</b> Subtotal. Add columns (b), (d), and (e)		<b>0</b>		<b>114,380</b>	<b>0</b>
<b>13</b> Total. Add line 12, columns (b), (d), and (e)				<b>13</b>	<b>114,380</b>

(See worksheet in line 13 instructions on page 29 to verify calculations )

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

[illegible]







**Schedule of Contributors**  
Supplementary Information for  
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No 1545-0047

**2007**

**Name of organization**

**GEORGE & NANCY BLANTON ENDOWMENT  
TRUST**

**Employer identification number**

**77-6257600**

**Organization type (check one)**

**Filers of:**

**Section:**

Form 990 or 990-EZ

- ☐ 501(c)( ) (enter number) organization
- ☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
- ☐ 527 political organization

Form 990-PF

- ☐ 501(c)(3) exempt private foundation
- ☒ 4947(a)(1) nonexempt charitable trust treated as a private foundation
- ☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule—see instructions.)

**General Rule—**

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

**Special Rules—**

- ☐ For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms (Complete Parts I and II.)
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals (Complete Parts I, II, and III.)
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use exclusively for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000 (If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ▶ \$ \_\_\_\_\_

**Caution:** Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).



Name of organization

GEORGE &amp; NANCY BLANTON ENDOWMENT

Employer identification number

77-6257600

**Part I Contributors** (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	ESTATE OF NANCY D BLANTON PO BOX 168 SHELBY NC 28151-0168	\$ 896,373	Person <input checked="checked" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution )
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution )
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution )
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution )
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution )
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution )
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution )



# Capital Gains and Losses for Tax on Investment Income

Form **990-PF**

**2007**

For calendar year 2007, or tax year beginning

, and ending

Name

**GEORGE & NANCY BLANTON ENDOWMENT TRUST**

Employer Identification Number

**77-6257600**

(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)
(1) 100SHS AMDOCS LTD	P	8/23/07	11/28/07
(2) 100 SHS AMDOC LTD	P	9/26/07	11/28/07
(3) .96 SH TRANSOCEAN INC	P	12/17/07	12/21/07
(4) 100 SHS TRANSOCEAN SEDCO	P	12/17/07	11/27/07
(5) 75 SHS BHP BILLITON	P	3/23/07	10/10/07
(6) 250 SHS DOVER CORP	P	11/17/06	3/26/07
(7) 450 SHS ELECTRONIC DATA SYSTEMS	P	3/07/07	10/10/07
(8) 100000 FEDERAL FARM CREDIT BANKS	P	3/07/07	12/20/07
(9) 100000 FEDERAL NATL MTG ASSN	P	3/07/07	12/28/07
(10) 350 SHS GENWORTH FINL	P	3/07/07	11/15/07
(11) 100 SHS GENWORTH FINL	P	9/26/07	11/15/07
(12) 1031.922 SHS HENNESSY CORNERSTONE	P	5/15/07	12/21/07
(13) 350 SHS NEWELL RUBBERMAID	P	3/26/07	6/07/07
(14) 10 SHS PATRIOT COAL CORP	P	10/19/07	12/20/07
(15) 275 SHS WALGREEN	P	3/07/07	10/10/07

(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)
(1) 3,158		3,507	-349
(2) 3,158		3,598	-440
(3) 131		78	53
(4) 3,303		2,450	853
(5) 6,135		3,552	2,583
(6) 12,018		12,522	-504
(7) 10,214		12,461	-2,247
(8) 100,000		100,000	
(9) 100,000		100,000	
(10) 9,248		12,087	-2,839
(11) 2,642		3,086	-444
(12) 16,202		20,000	-3,798
(13) 10,584		10,955	-371
(14) 376		334	42
(15) 10,799		12,177	-1,378

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

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(1)			-349
(2)			-440
(3)			53
(4)			853
(5)			2,583
(6)			-504
(7)			-2,247
(8)			
(9)			
(10)			-2,839
(11)			-444
(12)			-3,798
(13)			-371
(14)			42
(15)			-1,378



# Capital Gains and Losses for Tax on Investment Income

Form **990-PF**

**2007**

For calendar year 2007, or tax year beginning

, and ending

Name

**GEORGE & NANCY BLANTON ENDOWMENT TRUST**

Employer Identification Number

**77-6257600**

(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.)
(1) 200 SHS AMERICAN INTL	P	3/01/06	3/07/07
(2) 200 SHS AMERICAN INTL	P	3/01/06	11/15/07
(3) 200 SHS BANK OF AMERICA	P	3/01/06	3/07/07
(4) 300 SHS BOEING	P	3/01/06	3/07/07
(5) 100 SHS BOEING	P	3/01/06	5/14/07
(6) 100 SHS BRISTOL-MYERS SQUIBB	P	3/01/06	3/07/07
(7) 900 SHS BRISTOL-MYERS SQUIBB	P	3/01/06	3/08/07
(8) 600 SHS BRISTOL-MYERS SQUIBB	P	3/01/06	5/14/07
(9) 400 SHS DOW CHEM CO	P	3/01/06	3/07/07
(10) 350 SHS ECOLAB INC	P	3/01/06	3/07/07
(11) 300 SHS GENERAL ELEC CO	P	3/01/06	3/07/07
(12) 150 SHS HEWLETT PACKARD	P	3/01/06	3/07/07
(13) 450 SHS INTEL CORP	P	3/01/06	3/07/07
(14) 150 SHS IBM	P	3/01/06	3/07/07
(15) 150 SHS J P MORGAN CHASE	P	3/01/06	3/07/07

(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)
(1) 13,941		13,282	659
(2) 11,684		13,282	-1,598
(3) 10,136		9,098	1,038
(4) 26,501		21,801	4,700
(5) 9,376		7,267	2,109
(6) 2,679		2,294	385
(7) 24,362		20,646	3,716
(8) 18,156		13,764	4,392
(9) 16,955		17,472	-517
(10) 14,676		12,646	2,030
(11) 10,353		9,861	492
(12) 5,955		5,037	918
(13) 8,662		9,378	-716
(14) 14,133		12,045	2,088
(15) 7,284		6,231	1,053

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))
(1)			659
(2)			-1,598
(3)			1,038
(4)			4,700
(5)			2,109
(6)			385
(7)			3,716
(8)			4,392
(9)			-517
(10)			2,030
(11)			492
(12)			918
(13)			-716
(14)			2,088
(15)			1,053



# Capital Gains and Losses for Tax on Investment Income

Form **990-PF**

**2007**

For calendar year 2007, or tax year beginning

, and ending

Name

**GEORGE & NANCY BLANTON ENDOWMENT TRUST**

Employer Identification Number

**77-6257600**

(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.)
(1) 200 SHS J P MORGAN CHASE	P	3/01/06	8/17/07
(2) 7496 SHS LINCOLN NATL CORP	P	3/01/06	3/07/07
(3) 1500 SHS LINCOLN NATL CORP	P	3/01/06	3/26/07
(4) 350 SHS LICOLN NATL CORP	P	3/01/06	5/14/07
(5) 300 SHS QUEST DIAGNOSTICS INC	P	3/01/06	6/07/07
(6) 150 SHS WYETH COM	P	3/01/06	5/14/07
(7) 250 SHS WYETH COM	P	3/01/06	8/17/07
(8) DODGE & COX FDS INTL			
(9) FEDERATED INDEX TR			
(10) HENNESSEY CORNERSTONE			
(11) NEUBERGER & BERMAN			
(12)			
(13)			
(14)			
(15)			

(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)
(1) 9,402		8,308	1,094
(2) 504,364		450,135	54,229
(3) 102,193		90,075	12,118
(4) 25,809		21,018	4,791
(5) 15,161		15,957	-796
(6) 8,289		7,490	799
(7) 11,298		12,483	-1,185
(8) 730			730
(9) 1,580			1,580
(10) 2,311			2,311
(11) 1,161			1,161
(12)			
(13)			
(14)			
(15)			

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

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(1)			1,094
(2)			54,229
(3)			12,118
(4)			4,791
(5)			-796
(6)			799
(7)			-1,185
(8)			730
(9)			1,580
(10)			2,311
(11)			1,161
(12)			
(13)			
(14)			
(15)			



## Federal Statements

Statement 1 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Expenses	\$	\$	\$	\$
TRUSTEE FEES	5,153	5,153		
Total	\$ 5,153	\$ 5,153	\$ 0	\$ 0



## Federal Statements

**Statement 2 - Form 990-PF, Part II, Line 10a - US and State Government Investments**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
FHLMC 5.25%	\$	\$ 100,000	Cost	\$ 100,218
FHLB 5.33%		100,000	Cost	101,313
FHLB 4.40%		73,313	Cost	75,023
FNMA 5.35%		100,000	Cost	100,250
Total	\$ 0	\$ 373,313		\$ 376,804

**Statement 3 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
BANK OF AMERICA	\$	\$ 13,647	Cost	\$ 12,378
WESTERN UNION		7,014	Cost	8,498
PEABODY ENERGY		4,852	Cost	6,164
LOWES COS		10,155	Cost	6,789
MICROSOFT CORP		12,514	Cost	16,020
ABBOTT LABS		11,222	Cost	11,230
AMERIPRISE FINL		5,795	Cost	5,511
DUKE ENERGY		11,802	Cost	12,102
CISCO SYS INC		12,989	Cost	13,535
EMERSON ELEC		12,822	Cost	16,998
COCA COLA CO		11,975	Cost	15,343
LINCOLN NATL CORP		9,007	Cost	8,733
BAKER HUGHES INC		6,450	Cost	8,110
DEERE & CO		8,834	Cost	13,968
DOVER CORP		14,337	Cost	13,827
GENERAL ELEC		16,435	Cost	18,535
HEWLETT PACKARD		11,753	Cost	17,668
IBM		17,276	Cost	21,620
THERMO FISHER		12,306	Cost	14,420
BHP BILLITON LTD		10,657	Cost	15,759
EXPRESS SCRIPTS INC		12,676	Cost	14,600
TRANSOCEAN INC NEW		5,629	Cost	9,877
CHESAPEAKE ENERGY		15,706	Cost	19,600
KIMBERLY CLARK		10,452	Cost	10,401
EXXON MOBIL		7,092	Cost	9,369
BOEING CO		9,833	Cost	10,932
Total	\$ 0	\$ 283,230		\$ 331,987

**Statement 4 - Form 990-PF, Part II, Line 13 - Other Investments**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
DODGE & COX FDS	\$	\$ 30,447	Cost	\$ 29,965
FEDERATED MID CAP FUND		16,500	Cost	14,698
NEUBERGER & BERMAN		8,213	Cost	8,135
Total	\$ 0	\$ 55,160		\$ 52,798



**Statement 5 - Form 990-PF, Part III, Line 5 - Other Decreases**

Description	Amount
TIMING DIFFERENCES ON DIVIDEND INCOME	\$ 1,119
Total	\$ 1,119



**Statement 6 - Form 990-PF, Part VII-A, Line 8b - Not Filing with Attorney General**  
**Explanation**

Description

ENTITY IS NOT REGISTERED WITH NC BECAUSE IT IS A TRUST REQUIRED TO FILE A  
990PF BECAUSE OF IRC SECTION 4947(a)(1).



## **EXHIBIT A**

### **Explanation of Facts and Circumstances**

The George & Nancy Blanton Endowment Trust (the “**Trust**”) was created under the Last Will and Testament of Nancy Dicks Blanton. Nancy Dicks Blanton’s date of death was March 1, 2006. The Trust was created and funded on January 26, 2007. The purpose of the Trust is to distribute the income of the Trust to The Historic Preservation Foundation of North Carolina, a public charity.

An estate tax return for Nancy Dicks Blanton was filed on November 29, 2006 and reported a charitable deduction for a distribution to the Trust in the amount of \$896,373. The IRS accepted the estate tax return, and a closing letter was received on June 5, 2009.

The Trustees of the Trust rely on tax and legal advisors to effectuate filings and ensure compliance with various state and federal tax laws. The Trust has never applied for nor received tax exempt status pursuant to a Form 1023 application, and the Trustees were not advised to make such filing. Because the Trust never applied for or received tax exempt status, the Trustees of the Trust annually filed Form 1041.

In August 2012, the Trustees of the Trust were informed by a newly engaged tax advisor that the Trust is subject to I.R.C. §4947(a)(1) because a charitable deduction was taken on the estate tax return for Nancy Dicks Blanton for amounts received by the Trust. As a result, the Trustees were first advised in August 2012 that the Trust was required to file not only Form 1041, but also an informational return on Form 990-PF. Upon being informed of the Trust’s obligation to file Form 990-PF, the Trustees of the Trust immediately and voluntarily sought compliance by instructing its tax return preparer to file an extension for Form 990-PF for tax year 2011 and prepare Form 990-PF for tax years 2007 through 2011. In preparing the Trust’s returns for tax years 2007 through 2011, the Trust’s tax return preparer calculated applicable penalties and interest.

Section 6651(a) provides for a penalty for failure to pay unless it is shown that “such failure is due to reasonable cause and not due to willful neglect.” Treas. Reg. §1.6651-1(c) provides that the determination of whether a taxpayer acted with reasonable cause is subject to a showing that taxpayer exercised ordinary business care and prudence in providing for the payment of any tax liability. Consideration is given to all facts and circumstances that may indicate reasonable cause.

Section 6652(c)(1) provides for a penalty for failure to file an annual return under Section 6033(a)(1), which includes returns filed by nonexempt charitable trusts described in I.R.C. §4947(a)(1). Section 6652(c)(4) provides that a penalty should not be imposed if the failure to file is due to reasonable cause. Treas. Reg. §1.6652-1(f) states that penalties should not be imposed upon a finding of reasonable cause and not willful neglect. Consideration is given to all facts and circumstances that may indicate reasonable cause.



I.R.M. 20.1.1 provides guidance for determining what specific factors may constitute reasonable cause with regard to penalty relief. One factor is ignorance of the law. I.R.M. Section 20.1.1.3.2.2.6 addresses a taxpayer's awareness of their obligations to file and pay and states generally that the ordinary business care and prudence standard requires that taxpayers "make reasonable efforts to determine their tax obligations." One key consideration is the level of complexity and whether the taxpayer has previously been subject to the tax or penalized for prior compliance issues associated with the tax. A related consideration is whether the taxpayer was unaware of the requirement and could not reasonably be expected to know of the requirement. A second factor constituting reasonable cause is found at I.R.M. 20.1.1.3.3.4 regarding reliance on the advice provided by a tax professional. A third factor constituting reasonable cause is found at I.R.M. 20.1.1.3.3.4 regarding undue hardship and substantial financial loss.

The Trustees of the Trust strongly believe they have reasonable cause to request abatement of penalties and interest related to such penalties. First, due to the complexity and obscurity of I.R.C. §4947(a)(1), the Trustees of the Trust did not know of the Trust's obligation to file Form 990-PF. If the Trustees of the Trust would have known or had reason to know of such obligation, they would have immediately complied. The Trustees of the Trust timely made the filing that it believed it was required to make every year (i.e. Form 1041). Second, the Trustees relied on competent tax and legal advisors to inform them of the Trust's obligations to file applicable returns and pay related taxes. The former tax and legal advisors did not inform the Trustees of the Trust's obligations under I.R.C. §4947(a)(1), nor of the ramifications of the failure of the Trust to file for and obtain tax exempt status. Finally, if Trustees of the Trust were required to pay the penalties and applicable interest associated with its failure to timely file Form 990-PF and pay any applicable amounts for tax years 2007 through 2011, the Trust would undergo an undue hardship that would result in discontinuance of the Trust, which provides income to a public charity. For the aforementioned reasons, the Trustees of the Trust ask for abatement of penalties and related interest for tax years 2007 through 2011.



**EXHIBIT B**

**Interest and Penalty Worksheet**