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

2008

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

For calendar year 2008, or tax year beginning

, and ending

G 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 <b>THE LAFFEY-MCHUGH FOUNDATION</b>		A Employer identification number <b>51-6015095</b>
	Number and street (or P.O. box number if mail is not delivered to street address)	Room/suite	B Telephone number <b>302-654-1680</b>
	P.O. BOX 2286		C If exemption application is pending, check here <input type="checkbox"/> D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
	City or town, state, and ZIP code <b>WILMINGTON, DE 19899</b>		
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation			E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) <b>\$ 46,782,714.</b>		J Accounting method: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input checked="" type="checkbox"/> Other (specify) <b>INCOME TAX</b> (Part I, column (d) must be on cash basis.)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

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).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received			N/A	
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	270,660.	270,660.		STATEMENT 1
	4 Dividends and interest from securities	444,904.	444,904.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	3,976,326.			
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)		3,976,326.		
	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)					
11 Other income	1,207,063.	1,207,063.		STATEMENT 3	
12 Total. Add lines 1 through 11	5,898,953.	5,898,953.			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	473,860.	236,930.		236,930.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees STMT 4	15,450.	7,725.		7,725.
	c Other professional fees STMT 5	278,555.	275,813.		2,742.
	17 Interest				
	18 Taxes STMT 6	97,166.	8,178.		8,177.
	19 Depreciation and depletion	6,264.	0.		
	20 Occupancy	15,170.	7,585.		7,585.
	21 Travel, conferences, and meetings	4,264.	2,132.		2,132.
	22 Printing and publications				
	23 Other expenses STMT 7	27,974.	13,989.		13,985.
	24 Total operating and administrative expenses. Add lines 13 through 23	918,703.	552,352.		279,276.
	25 Contributions, gifts, grants paid	2,979,500.			2,979,500.
26 Total expenses and disbursements. Add lines 24 and 25	3,898,203.	552,352.		3,258,776.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	2,000,750.				
b Net investment income (if negative, enter -0-)		5,346,601.			
c Adjusted net income (if negative, enter -0-)			N/A		

p8

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing				
	2	Savings and temporary cash investments		753,303.	816,136.	816,136.
	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				
	7	Other notes and loans receivable ▶				
		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 STMT 9		4,885,316.	4,736,415.	4,944,752.
	b	Investments - corporate stock STMT 10		13,465,583.	3,587,789.	4,665,275.
	c	Investments - corporate bonds STMT 11		1,448,497.	5,759,653.	5,438,737.
11	Investments - land, buildings, and equipment: basis ▶					
	Less: accumulated depreciation ▶					
12	Investments - mortgage loans					
13	Investments - other STMT 12		29,318,291.	37,069,265.	30,863,817.	
14	Land, buildings, and equipment: basis ▶ 150,523.					
	Less: accumulated depreciation STMT 13 ▶ 96,526.		60,262.	53,997.	53,997.	
15	Other assets (describe ▶)					
16	<b>Total assets (to be completed by all filers)</b>		49,931,252.	52,023,255.	46,782,714.	
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable				
	22	Other liabilities (describe ▶)				
	23	<b>Total liabilities (add lines 17 through 22)</b>		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		0.	0.	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.	
	29	Retained earnings, accumulated income, endowment, or other funds		49,931,252.	52,023,255.	
30	<b>Total net assets or fund balances</b>		49,931,252.	52,023,255.		
31	<b>Total liabilities and net assets/fund balances</b>		49,931,252.	52,023,255.		

**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	49,931,252.
2	Enter amount from Part I, line 27a	2	2,000,750.
3	Other increases not included in line 2 (itemize) ▶ <b>ADJUSTMENT TO COST BASIS</b>	3	342,578.
4	Add lines 1, 2, and 3	4	52,274,580.
5	Decreases not included in line 2 (itemize) ▶ <b>SEE STATEMENT 8</b>	5	251,325.
6	<b>Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30</b>	6	52,023,255.

**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 SALE OF INVESTMENTS</b>		<b>VARIOUS</b>	<b>VARIOUS</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>3,976,326.</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) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
<b>a</b>			<b>3,976,326.</b>
<b>b</b>			
<b>c</b>			
<b>d</b>			
<b>e</b>			

<b>2</b> Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	<b>2</b>	<b>3,976,326.</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). If (loss), enter -0- in Part I, line 8	{ }	<b>3</b>	<b>N/A</b>

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

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

**1** Enter the appropriate amount in each column for each year; see 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))
2007	<b>3,995,182.</b>	<b>66,654,098.</b>	<b>.059939</b>
2006	<b>3,652,899.</b>	<b>70,491,377.</b>	<b>.051821</b>
2005	<b>3,535,337.</b>	<b>59,592,023.</b>	<b>.059326</b>
2004	<b>2,960,519.</b>	<b>57,216,607.</b>	<b>.051742</b>
2003	<b>3,488,763.</b>	<b>66,072,171.</b>	<b>.052802</b>

<b>2</b> Total of line 1, column (d)	<b>2</b>	<b>.275630</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>.055126</b>
<b>4</b> Enter the net value of noncharitable-use assets for 2008 from Part X, line 5	<b>4</b>	<b>56,144,187.</b>
<b>5</b> Multiply line 4 by line 3	<b>5</b>	<b>3,095,004.</b>
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)	<b>6</b>	<b>53,466.</b>
<b>7</b> Add lines 5 and 6	<b>7</b>	<b>3,148,470.</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.	<b>8</b>	<b>3,258,776.</b>

**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 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 checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	53,466.
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	53,466.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	53,466.
6 Credits/Payments:			
a 2008 estimated tax payments and 2007 overpayment credited to 2008	6a	70,000.	
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 O.R. OVERPAYMENT		<5,792.	7 64,208.
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached			8
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed			9
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid			10 10,742.
11 Enter the amount of line 10 to be: Credited to 2009 estimated tax		0. Refunded	11 10,742.

**Part VII-A Statements Regarding Activities**

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for 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. \$ 0. (2) On foundation managers. \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) DE		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2008 or the taxable year beginning in 2008 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

Part VII-A	Statements Regarding Activities <i>(continued)</i>
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- |                              |   |    |                                     |   |
|------------------------------|---|----|-------------------------------------|---|
| 11                           | At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions) | 11 |                                     | X |
| 12                           | Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?   | 12 |                                     | X |
| 13                           | Did the foundation comply with the public inspection requirements for its annual returns and exemption application?   | 13 | X                                   |   |
| Website address ► <u>N/A</u> |   |    |                                     |   |
| 14                           | The books are in care of ► <u>DAVID SYSKO</u>   |    | Telephone no. ► <u>302-654-1680</u> |   |
|                              | Located at ► <u>COMMUNITY SERVICE BLDG, SUITE #815, WILMINGTON, D</u>   |    | ZIP+4 ► <u>19801</u>                |   |
| 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 | N/A                                 |   |

**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.**

- |  |  |  |
|--|--|--|
| <p><b>1a</b> 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(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</p> <p>(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</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.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> |  |  |
| <p><b>b</b> If any answer is "Yes" to 1a(1)-(6), did <b>any</b> of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? <span style="float: right;">N/A</span></p> <p>Organizations relying on a current notice regarding disaster assistance check here <span style="float: right;">▶ <input type="checkbox"/></span></p>  |  |  |
| <p><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 2008? <span style="float: right;">N/A</span></p>   |  |  |
| <p><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)):</p> <p><b>a</b> At the end of tax year 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If "Yes," list the years: <span style="float: right;">▶ _____, _____, _____, _____</span></p> <p><b>b</b> Are there any years listed in 2a for which the foundation is <b>not</b> 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 <b>all</b> years listed, answer "No" and attach statement - see instructions.) <span style="float: right;">N/A</span></p> <p><b>c</b> If the provisions of section 4942(a)(2) are being applied to <b>any</b> of the years listed in 2a, list the years here. <span style="float: right;">N/A</span></p> <p>▶ _____, _____, _____, _____</p>  |  |  |
| <p><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</p> <p><b>b</b> If "Yes," did it have excess business holdings in 2008 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 2008.) <span style="float: right;">N/A</span></p>   |  |  |
| <p><b>4a</b> Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? <span style="float: right;">N/A</span></p> <p><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 2008? <span style="float: right;">N/A</span></p>   |  |  |

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

5a-During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

☒

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

N/A

☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

6b

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

If you answered "Yes" to 6b, also file Form 8870.

☐ Yes ☒ No

7b

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

N/A

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.

(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 STATEMENT 14		473,860.	0.	0.

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

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

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

0

Form 990-PF (2008)



**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	54,853,275.
b	Average of monthly cash balances	1b	2,145,900.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	56,999,175.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	56,999,175.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	854,988.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	56,144,187.
6	Minimum investment return. Enter 5% of line 5	6	2,807,209.

**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	2,807,209.
2a	Tax on investment income for 2008 from Part VI, line 5	2a	53,466.
b	Income tax for 2008. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	53,466.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	2,753,743.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	2,753,743.
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	2,753,743.

**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	3,258,776.
b	Program-related investments - total from Part IX-B	1b	0.
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	3,258,776.
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	5	53,466.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	3,205,310.

**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 2007	(c) 2007	(d) 2008
<b>1</b> Distributable amount for 2008 from Part XI, line 7				2,753,743.
<b>2</b> Undistributed income, if any, as of the end of 2007				
<b>a</b> Enter amount for 2007 only			0.	
<b>b</b> Total for prior years:		0.		
<b>3</b> Excess distributions carryover, if any, to 2008:				
<b>a</b> From 2003				
<b>b</b> From 2004				
<b>c</b> From 2005				
<b>d</b> From 2006				115,287.
<b>e</b> From 2007				729,127.
<b>f</b> Total of lines 3a through e	844,414.			
<b>4</b> Qualifying distributions for 2008 from Part XII, line 4: ► \$ 3,258,776.				
<b>a</b> Applied to 2007, but not more than line 2a			0.	
<b>b</b> Applied to undistributed income of prior years (Election required - see instructions)		0.		
<b>c</b> Treated as distributions out of corpus (Election required - see instructions)	0.			
<b>d</b> Applied to 2008 distributable amount				2,753,743.
<b>e</b> Remaining amount distributed out of corpus	505,033.			
<b>5</b> Excess distributions carryover applied to 2008 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
<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	1,349,447.			
<b>b</b> Prior years' undistributed income. Subtract line 4b from line 2b		0.		
<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		0.		
<b>d</b> Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
<b>e</b> Undistributed income for 2007. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
<b>f</b> Undistributed income for 2008. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2009				0.
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
<b>8</b> Excess distributions carryover from 2003 not applied on line 5 or line 7	0.			
<b>9</b> Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a	1,349,447.			
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2004				
<b>b</b> Excess from 2005				
<b>c</b> Excess from 2006				115,287.
<b>d</b> Excess from 2007				729,127.
<b>e</b> Excess from 2008				505,033.

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

**N/A**

- 1 a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2008, enter the date of the ruling

- b**
- Check box to indicate whether the foundation is a private operating foundation described in section

☐ 4942(j)(3) or ☐ 4942(j)(5)

- 2 a** Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

**b 85% of line 2a**

- c** Qualifying distributions from Part XII,  
line 4 for each year listed

- d** Amounts included in line 2c not used directly for active conduct of exempt activities

- e** Qualifying distributions made directly for active conduct of exempt activities.

**Subtract line 2d from line 2c**

- 3** Complete 3a, b, or c for the alternative test relied upon:

- a "Assets" alternative test - enter:

- (1) Value of all assets**

- (2) Value of assets qualifying under section 4942(j)(3)(B)(i)**

- b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed**

- c "Support" alternative test - enter:

- (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)**

- (2) Support from general public and 5 or more exempt organizations as provided in section 4942(i)(3)(B)(iii)**

- (3) Largest amount of support from an exempt organization**

- (4) Gross investment income**

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

NONE

- 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.

NONE

**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 of the person to whom applications should be addressed:

SEE STATEMENT 15

- 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 1					
Total					▶ 3a 2979500.
b Approved for future payment					
NONE					
Total					▶ 3b 0.





## 2008 DEPRECIATION AND AMORTIZATION REPORT

FORM 990-PF PAGE 1

990-PF

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
2	COMPUTER HARDWARE	053101	1200DB	5.00	17	25,439.			25,439.	25,439.		0.
3	FURNITURE	073101	1200DB	7.00	17	28,694.			28,694.	27,413.		1,281.
4	LEASEHOLD IMPROVEMENT	073101	SL	39.00	16	60,262.			60,262.	9,914.		1,545.
5	FURNITURE	093002	SL	7.00	16	1,725.			1,725.	1,477.		248.
6	COMPUTER SOFTWARE	012502	SL	5.00	16	13,395.			13,395.	13,395.		0.
7	COMPUTER SOFTWARE	080703	SL	3.00	16	3,074.			3,074.	3,074.		0.
8	FURNITURE	110603	SL	7.00	16	6,250.			6,250.	3,721.		893.
9	TELEPHONE SYSTEM	062703	SL	7.00	16	655.			655.	423.		94.
10	FURNITURE	022403	SL	5.00	16	1,088.			1,088.	1,053.		35.
21	DELL COMPUTERS	091004	SL	5.00	16	6,053.			6,053.	4,037.		1,391.
22	FURNITURE	093006	SL	5.00	16	1,076.			1,076.	269.		215.
23	SERVER	113007	SL	5.00	16	2,812.			2,812.	47.		562.
	* TOTAL 990-PF PG 1					150,523.		0.	150,523.	90,262.	0.	6,264.
	DEPR											

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FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

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SOURCE	AMOUNT
INTEREST-VARIOUS SOURCES	270,660.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	270,660.

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FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DIVIDENDS-VARIOUS SOURCES	444,904.	0.	444,904.
TOTAL TO FM 990-PF, PART I, LN 4	444,904.	0.	444,904.

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FORM 990-PF OTHER INCOME STATEMENT 3

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DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
PARTNERSHIP INCOME/(LOSS)	1,199,105.	1,199,105.	
OTHER INCOME FROM PASSTHROUGH ACTIVITIES	7,958.	7,958.	
TOTAL TO FORM 990-PF, PART I, LINE 11	1,207,063.	1,207,063.	

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FORM 990-PF ACCOUNTING FEES STATEMENT 4

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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING EXPENSES	15,450.	7,725.		7,725.
TO FORM 990-PF, PG 1, LN 16B	15,450.	7,725.		7,725.

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FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
INVESTMENT COUNSELING SERVICES	273,071.	273,071.		0.	
TECHNOLOGY SERVICES	5,484.	2,742.		2,742.	
TO FORM 990-PF, PG 1, LN 16C	278,555.	275,813.		2,742.	

FORM 990-PF	TAXES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
EXCISE TAX	80,811.	0.		0.	
PAYROLL TAXES	16,355.	8,178.		8,177.	
TO FORM 990-PF, PG 1, LN 18	97,166.	8,178.		8,177.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
ALPHAGRAPHS	1,428.	714.		714.	
BANK CHARGES	182.	91.		91.	
CONFERENCE EXPENSES	1,685.	843.		842.	
INSURANCE	13,963.	6,982.		6,981.	
LEASE EXPENSE	2,160.	1,080.		1,080.	
MEALS AND ENTERTAINMENT	454.	227.		227.	
OFFICE SUPPLIES	592.	296.		296.	
POSTAGE	1,048.	524.		524.	
TELEPHONE	4,894.	2,447.		2,447.	
MISCELLANEOUS	261.	131.		130.	
FRANCHISE TAXES	25.	13.		12.	
PAYROLL FEES	1,282.	641.		641.	
TO FORM 990-PF, PG 1, LN 23	27,974.	13,989.		13,985.	

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FORM 990-PF	OTHER DECREASES IN NET ASSETS OR FUND BALANCES	STATEMENT	8
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DESCRIPTION	AMOUNT
CHARITABLE DISTRIBUTIONS PAID IN 2007 AND INCLUDED ON 2008 F/S	251,325.
TOTAL TO FORM 990-PF, PART III, LINE 5	251,325.

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FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS	STATEMENT	9
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DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
US GOVERNMENT BONDS	X		4,736,415.	4,944,752.
TOTAL U.S. GOVERNMENT OBLIGATIONS			4,736,415.	4,944,752.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			4,736,415.	4,944,752.

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FORM 990-PF	CORPORATE STOCK	STATEMENT	10
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
COMMON STOCK	3,587,789.	4,665,275.
TOTAL TO FORM 990-PF, PART II, LINE 10B	3,587,789.	4,665,275.

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FORM 990-PF	CORPORATE BONDS	STATEMENT	11
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
US CORPORATE BONDS	5,759,653.	5,438,737.
TOTAL TO FORM 990-PF, PART II, LINE 10C	5,759,653.	5,438,737.

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FORM 990-PF	OTHER INVESTMENTS	STATEMENT	12
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
MUTUAL FUNDS	COST	27,779,237.	22,393,023.
INVESTMENT PARTNERSHIPS	COST	7,790,028.	7,029,613.
ALTERNATIVE INVESTMENTS-HEDGE FUNDS	COST	1,500,000.	1,441,181.
TOTAL TO FORM 990-PF, PART II, LINE 13		37,069,265.	30,863,817.

FORM 990-PF	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	13
DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
COMPUTER HARDWARE	25,439.	25,439.	0.
FURNITURE	28,694.	28,694.	0.
LEASEHOLD IMPROVEMENT	60,262.	11,459.	48,803.
FURNITURE	1,725.	1,725.	0.
COMPUTER SOFTWARE	13,395.	13,395.	0.
COMPUTER SOFTWARE	3,074.	3,074.	0.
FURNITURE	6,250.	4,614.	1,636.
TELEPHONE SYSTEM	655.	517.	138.
FURNITURE	1,088.	1,088.	0.
2 DELL COMPUTERS	6,053.	5,428.	625.
FURNITURE	1,076.	484.	592.
SERVER	2,812.	609.	2,203.
TOTAL TO FM 990-PF, PART II, LN 14	150,523.	96,526.	53,997.

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS  
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 14

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
ARTHUR G. CONNOLLY, JR. 4615 WELDIN ROAD WILMINGTON, DE 19803	PRESIDENT 2.00	0.	0.	0.
COLINS J. SEITZ, JR. THE STRAND NEW CASTLE, DE 19720	VICE-PRESIDENT, CO-TREASURER 2.00	0.	0.	0.
CHRISTOPHER G. CONNOLLY 33 BEDFORD STREET, SUITE 10 LEXINGTON, MA 02420	VICE-PRESIDENT 2.00	0.	0.	0.
ARTHUR G. CONNOLLY, III 102 SCHOOL ROAD WILMINGTON, DE 19803	VP, ASST SEC, CO-TREASURER 2.00	0.	0.	0.
MARY C. BRAUN P.O. BOX 4007 GREENVILLE, DE 19807	VP, SECRETARY 2.00	0.	0.	0.
ANTOINE J. ALLEN 2305 BAYNARD BLVD. WILMINGTON, DE 19802	VICE-PRESIDENT 2.00	0.	0.	0.
PATRICE M. SYSKO 100 WEST 10TH STREET WILMINGTON, DE 19805	ADMINISTRATOR 2.00	50,960.	0.	0.
DAVID SYSKO 100 WEST 10TH STREET WILMINGTON, DE 19805	PRESIDENT 2.00	422,900.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		473,860.	0.	0.

FORM 990-PF

GRANT APPLICATION SUBMISSION INFORMATION  
PART XV, LINES 2A THROUGH 2D

STATEMENT 15

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

DAVID SYSKO  
P.O. BOX 2286  
WILMINGTON, DE 19899

TELEPHONE NUMBER

(302)654-1680

FORM AND CONTENT OF APPLICATIONS

APPLICATIONS SHOULD BE SUBMITTED IN LETTER FORM AND SHOULD INDICATE IF THE APPLICANT HAS BEEN GRANTED TAX EXEMPT STATUS BY THE IRS.

ANY SUBMISSION DEADLINES

THE DIRECTORS NORMALLY MEET IN MAY AND NOVEMBER. APPLICATIONS SHOULD BE SUBMITTED BY APRIL OR OCTOBER.

RESTRICTIONS AND LIMITATIONS ON AWARDS

NONE

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☒ **X**.
- Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

<b>Part II</b>	<b>Additional (Not Automatic) 3-Month Extension of Time.</b> Only file the original (no copies needed).	
Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization	Employer identification number
	THE LAFFEY-MCHUGH FOUNDATION	51-6015095
	Number, street, and room or suite no. If a P.O. box, see instructions.	For IRS use only
	P.O. BOX 2286	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	WILMINGTON, DE 19899	

Check type of return to be filed (File a separate application for each return):

- ☐ Form 990    ☐ Form 990-EZ    ☐ Form 990-T (sec. 401(a) or 408(a) trust)    ☐ Form 1041-A    ☐ Form 5227    ☐ Form 8870  
☐ Form 990-BL    ☒ Form 990-PF    ☐ Form 990-T (trust other than above)    ☐ Form 4720    ☐ Form 6069

**STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

DAVID SYSKO - COMMUNITY SERVICE BLDG, SUITE #815 -

- The books are in the care of **WILMINGTON, DE 19801**
- Telephone No **302-654-1680** FAX No \_\_\_\_\_
- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **NOVEMBER 15, 2009.**

5 For calendar year **2008**, or other tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_.

6 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

7 State in detail why you need the extension

**ADDITIONAL TIME IS NEEDED TO GATHER SCHEDULE K-1S FOR CERTAIN UNDERLYING INVESTMENTS OF THE FOUNDATION.**

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	8a	\$	70,000.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$	70,000.
c <b>Balance Due.</b> Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$	0.

### Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature **▶**

Title **▶**

Date **▶**