Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

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

OMB No 1545-0052

2008

For calendar year 2008, or tax year beginning , 2008, and ending , 20

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: James M. Barnett, Jr. Foundation, Inc.

Number and street (or P O box number if mail is not delivered to street address): Perry & Walters, LLP, P.O. Box 71209 — Room/suite:

City or town, state, and ZIP code: Albany, GA 31708

A Employer identification number: 56-2360848

B Telephone number (see page 10 of the instructions)

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) ▶ $ 3,875,398.00

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

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 page 11 of the instructions))*

Section	Line	Description	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc., received (attach schedule)				
	2	Check ▶ ☐ if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities	181,621.00	181,621.00		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	-293,750.00			
	b	Gross sales price for all assets on line 6a 6,423,766.00				
	7	Capital gain net income (from Part IV, line 2)		0		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	-112,129.00	181621		
Operating and Administrative Expenses	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)	3,190.00			3,190.00
	c	Other professional fees (attach schedule)	79,947.00	79,947.00		
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions)	9,810.00			
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)	2,869.00			2,869.00
	24	**Total operating and administrative expenses.** Add lines 13 through 23	95,816.00	79,947.00		6,059.00
	25	Contributions, gifts, grants paid	340,691.00			340,691.00
	26	**Total expenses and disbursements.** Add lines 24 and 25	436,507.00	79,947.00		346,750.00
	27	Subtract line 26 from line 12:				
	a	Excess of revenue over expenses and disbursements	-548,636.00			
	b	Net investment income (if negative, enter -0-)		101,674.00		
	c	Adjusted net income (if negative, enter -0-)				

RECEIVED
NOV 15 2010
OGDEN, UT
E2-609
IRS-OSC

SCANNED NOV 18 2010

Part II Balance Sheets

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

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets				
1	Cash - non-interest-bearing	-91,796	218,050	218,050
2	Savings and temporary cash investments			
3	Accounts receivable ▶			
	Less allowance for doubtful accounts ▶			
4	Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
5	Grants receivable			
6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
7	Other notes and loans receivable (attach schedule) ▶			
	Less allowance for doubtful accounts ▶			
8	Inventories for sale or use			
9	Prepaid expenses and deferred charges			
10 a	Investments - U S and state government obligations (attach schedule)	540,061	179,869	180,103
b	Investments - corporate stock (attach schedule)	3,988,236	3,516,661	2,375,716
c	Investments - corporate bonds (attach schedule)	1,070,986	1,046,086	671,920
11	Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
12	Investments - mortgage loans			
13	Investments - other (attach schedule)	431,449	428,555	424,129
14	Land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶ Prepaid Tax)	4,400	5,480	5,480
16	**Total assets** (to be completed by all filers - see the instructions Also, see page 1, item I)	5,943,336.00	5,394,701.00	3,875,398.00
Liabilities				
17	Accounts payable and accrued expenses			
18	Grants payable			
19	Deferred revenue			
20	Loans from officers, directors, trustees, and other disqualified persons			
21	Mortgages and other notes payable (attach schedule)			
22	Other liabilities (describe ▶)			
23	**Total liabilities** (add lines 17 through 22)			
Net Assets or Fund Balances				
	Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.			
24	Unrestricted			
25	Temporarily restricted			
26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ X			
27	Capital stock, trust principal, or current funds	5,631,603	5,394,701	
28	Paid-in or capital surplus, or land, bldg , and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds	311,733		
30	**Total net assets or fund balances** (see page 17 of the instructions)	5,943,336	5,394,701.00	
31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	5,943,336	5,394,701.00	

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	5,943,336.00
2	Enter amount from Part I, line 27a	2	-548,636.00
3	Other increases not included in line 2 (itemize) ▶ Rounding	3	1.00
4	Add lines 1, 2, and 3	4	5,394,701.00
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	5,394,701.00

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo , day, yr.)	(d) Date sold (mo , day, yr)
1a	Stocks sold in Merrill Lynch account - See Attached Statement			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	6,423,352		6,717,102	-293,750.00
b				
c				
d				
e				

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

	(i) F M V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col. (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				-293,750.00
b				
c				
d				
e				

2	Capital gain net income or (net capital loss) . . . . . { If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7 }	2	-293,750.00
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8	3	

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

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

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

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

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

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col. (c))
2007	282,129	6,410,101	0.0440
2006	299,664	6,110,780	0.0490
2005	245,220	5,819,689	0.0421
2004	2,600	5,115,277	0.0005
2003			0.0000

2	**Total** of line 1, column (d)	2	0.1356
3	Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.0271
4	Enter the net value of noncharitable-use assets for 2008 from Part X, line 5	4	5,442,172.28
5	Multiply line 4 by line 3	5	147,482.87
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	1,016.74
7	Add lines 5 and 6	7	148,499.61
8	Enter qualifying distributions from Part XII, line 4	8	346,750.00

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

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 ▶ ☐ 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 ▶ ☒ and enter 1% of Part I, line 27b	1	1,017
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	
3	Add lines 1 and 2	3	1,017.00
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-	5	1,017.00
6	Credits/Payments		
a	2008 estimated tax payments and 2007 overpayment credited to 2008 — 6a: 5,480		
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	5,480.00
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached	8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	4,463.00
11	Enter the amount of line 10 to be **Credited to 2009 estimated tax** ▶ 4,463 **Refunded** ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		X
	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	*Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:* **(1)** On the foundation ▶ $ 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.*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b	N	A
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV.*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ GEORGIA			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2008 or the taxable year beginning in 2008 (see instructions for Part XIV on page 27)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		X

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

		Line	Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(3)? If "Yes," attach schedule (see page 20 of the 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 ▶

14 The books are in care of ▶ Perry & Walters, LLP Telephone no ▶ 229-439-4000

Located at ▶ 212 N. Westover Blvd, Albany, GA ZIP + 4 ▶ 31707

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.

1a During the year did the foundation (either directly or indirectly)

(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No

(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No

(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No

(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No

(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No

(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No

		Line	Yes	No
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?	1b	N	A
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	*Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2008?*	1c		X

2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):

a At the end of tax year 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008? ☐ Yes ☒ No

If "Yes," list the years ▶ , , ,

		Line	Yes	No
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 20 of the instructions)	2b	N	A

c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.
▶ , , ,

3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No

		Line	Yes	No
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)*	3b	N	A
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2008?	4b		X

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

5a During the year did the foundation pay or incur any amount to			
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes ☒ No		
(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	☐ Yes ☒ No		
(3) Provide a grant to an individual for travel, study, or other similar purposes?	☒ Yes ☐ No		
(4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions)	☐ Yes ☒ No		
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes ☒ No		
b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)?		5b	X
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 Yes A No		
If "Yes," attach the statement required by Regulations section 53 4945-5(d)			
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No		
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		6b	X
If you answered "Yes" to 6b, also file Form 8870.			
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes ☒ No		
b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?		7b	N A

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 22 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
James E. Reynolds, Jr., 212 N. Westover Blvd, Albany, GA	Director A/N	1,200		
J. Huff Croxton, 212 N. Westover Blvd, Albany, GA	Director A/N	600		
Helen Kirbo, 245 Westgate Dr. Albany, GA	Director A/N	600		

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
There are no employees.				

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
1	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 23 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments See page 24 of the instructions	
3	
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.)

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	5,086,667
b	Average of monthly cash balances	1b	438,381
c	Fair market value of all other assets (see page 24 of the instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	5,525,048.00
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	5,525,048.00
4	Cash deemed held for charitable activities Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	82,875.72
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	5,442,172.28
6	**Minimum investment return.** Enter 5% of line 5	6	272,108.61

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.)

1	Minimum investment return from Part X, line 6			1	272,108.61
2a	Tax on investment income for 2008 from Part VI, line 5	2a	1,017.00		
b	Income tax for 2008 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	1,017.00
3	Distributable amount before adjustments Subtract line 2c from line 1			3	271,091.61
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	271,091.61
6	Deduction from distributable amount (see page 25 of the instructions)			6	
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	271,091.61

Part XII Qualifying Distributions (see page 25 of the 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	346,750.00
b	Program-related investments - total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	346,750.00
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	346,750.00

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 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7				271,091.61
2 Undistributed income, if any, as of the end of 2007				
a Enter amount for 2007 only				
b Total for prior years 20____,20____,20____				
3 Excess distributions carryover, if any, to 2008.				
a From 2003				
b From 2004				
c From 2005				
d From 2006				
e From 2007				
f Total of lines 3a through e				
4 Qualifying distributions for 2008 from Part XII, line 4: ▶ $ 346,750.00				
a Applied to 2007, but not more than line 2a				
b Applied to undistributed income of prior years (Election required - see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required - see page 26 of the instructions)				
d Applied to 2008 distributable amount				271,091.61
e Remaining amount distributed out of corpus	75,658.39			
5 Excess distributions carryover applied to 2008 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 **Enter the net total of each column as indicated below:**				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	75,658.39			
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount - see page 27 of the instructions				
e Undistributed income for 2007. Subtract line 4a from line 2a. Taxable amount - see page 27 of the instructions				
f Undistributed income for 2008 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2009				
7 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)				
8 Excess distributions carryover from 2003 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 **Excess distributions carryover to 2009.** Subtract lines 7 and 8 from line 6a	75,658.39			
10 Analysis of line 9:				
a Excess from 2004				
b Excess from 2005				
c Excess from 2006				
d Excess from 2007				
e Excess from 2008 75,658.39				

JSA
8E1480 1 000

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 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)

	Tax year	Prior 3 years			
	(a) 2008	(b) 2007	(c) 2006	(d) 2005	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed .					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test - enter					
(1) Value of all assets . . .					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test- enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed . .					
c "Support" alternative test - enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942 (j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income .					

Part XV **Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year - see page 27 of 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 page 28 of the 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

James E. Reynolds, Jr., P.O. Box 71209, Albany, GA 31708

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

Submitted in writing to the Foundation stating reason for the need and goals to be achieved

c Any submission deadlines

NONE

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

NONE

Part XV Supplementary Information (continued)

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

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

JSA
8E1491 1 000

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income (See page 28 of the instructions.)
1 Program service revenue.					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities					181,621
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					-293,750
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)					-112,129.00

13 Total. Add line 12, columns (b), (d), and (e) . . . . . 13 -112,129.00

(See worksheet in line 13 instructions on page 28 to verify calculations.)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). (See page 28 of the instructions.)
4,8	The investments provided funds for the exempt purpose of the Foundation.
	Also see attached statement of purpose.

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

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

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

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

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

b If "Yes," complete the following schedule

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

Sign Here

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

▶ J E. Reynolds, Jr, Pres. 11/11/2010 ▶ Pres.
Signature of officer or trustee — Date — Title

Paid Preparer's Use Only

Preparer's signature	▶ M. Alan Ladson, CPA	Date 11/10/10	Check if self-employed ▶ ☒	Preparer's identifying number (See Signature on page 30 of the instructions) P0155931
Firm's name (or yours if self-employed), address, and ZIP code	▶ Sculley, Ladson & Cooling, LLC PO Box 70786 Albany, GA 31708-0786		EIN ▶ 20-4042366	Phone no. 229-888-1144

JSA
8E1493 1 000

James M Barnett, Jr Foundation
58-2360848
Purpose of Foundation

The Foundation is created exclusively for charitable, religious, scientific, literary or educational purposes, so that it shall qualify and continue to qualify as an exempt organization under Section 501c (3) of the Internal Revenue Code of 1986(or the corresponding provision of any future United States Internal Revenue law)

James M. Barnett, Jr. Foundation
For the Year Ended 12-31-08

Page 2, Part II, Balance Sheet
Schedule of Assets

Account No	U.S. Gov't Securities Cost	Market	Corporate Bonds Cost	Market	Corporate Stocks Cost	Market	Other Securities Cost	Market
687-04003	179,869	180,103	1,046,086	671,920	324,146	129,884	492,980	424,129
687-04011					795,959	511,813		
687-04012					162,756	119,953		
687-04013					920,290	676,524		
687-04014					856,232	605,954		
687-04015					171,813	122,818		
687-04016					280,168	191,602		
	179,869 ✓	180,103	1,046,086 ✓	671,920	3,511,364	2,358,548	492,980	424,129
Dividends from Blackrock inestment, reinvested on 12-31-08 but not shown on investment portfolio					5,297	5,297		
Estimated accrued interest						11,871		
K-1 distribution							(64,425)	
	179,869	180,103	1,046,086	671,920	3,516,661	2,375,716	428,555	424,129

James M. Barnett, Jr Foundation, Inc.
56-2360848
Form 990PF Attached Schedules
For the Year Ending 12-31-08

<u>Page 1, Part 1, Line 16b - Accounting Fees</u>	
Paid to Sculley & Company, CPA's	3,190

<u>Page 1, Part 1, Line 16c - Other Professional Fees</u>	
Merrill Lynch, Investment Management	79,947

<u>Page 1, Part 1, Line 18 - Taxes</u>	
Excise tax on investment income	5,475
Foreign income tax paid	4,335
	9,810

<u>Page 1, Part 1, Line 23 - Other Expenses</u>	
Trustee fees	*2,400*
Corporate registration-State of Georgia	*30*
Administrative expense	*439*
	2,869

Barnett Foundation
Year Ended 12-31-08

Gain or Loss on Sale of Stocks Acct. No.	Sale Price	Basis	Gain (Loss)
687-04003	4,421,037.38	(4,163,811.85)	257,225.53
687-04011	241,345.85	(328,321.66)	(86,975 81)
687-04012	114,420.90	(145,364.05)	(30,943.15)
687-04013	556,788.58	(798,775.43)	(241,986.85)
687-04014	872,535.50	(1,008,335.61)	(135,800.11)
687-04015	137,799.75	(164,393.62)	(26,593.87)
687-04016	79,837.71	(109,282.47)	(29,444.76)
	6,423,765.67	(6,718,284.69)	(294,519.02)
Stock sale in acct. 687-04011 that occurred on 12-30-08 that did not get into the fiscal year statement	(414.11)	1,182.92	768.81
	6,423,351.56	(6,717,101.77)	(293,750 21)

James M Barnett, Jr Foundation, Inc.
Form 990PF, Part XV
For the Year Ended December 31, 2008

Part XV - Grants and Contributions Paid During The Year

Name and Address	Relationship	Status	Purpose of Grant	Amount
Kelly C. Dixson 727 Murphy Road Dawson, GA 39842	Unrelated	Individual	Music Education	13,183 00
Ashley Garofalo 149 Blake Way Athens, GA 30605	Unrelated	Individual	Music Education	9,000 00
Albany Symphony Association 2400 Gillionville Road Albany, GA 31707	Unrelated	Corp.	In School Music Education	77,000.00
Albany Museum of Art 311 Meadowlark Drive Albany, GA 31707	Unrelated	Corp	Visual Arts Support	50,000.00
Theatre Albany, Inc. 514 Pine Avenue Albany, GA 31701	Unrelated	Corp.	Theatrical Production	10,000.00
Darton College Foundation 2400 Gillionville Road Albany, GA 31707	Unrelated	Corp	Provide Scholarships	12,500.00
Albany State Univ Foundation 504 College Drive Albany, GA 31705	Unrelated	Corp.	Provide Scholarships	12,500 00
Flint River Partners, Inc Riverquarium 101 Pine Avenue Albany, GA 31701	Unrelated	Corp	Provide Educational Programs	95,394.00
Albany Concert Association P O. Box 72365 Albany, GA 31708	Unrelated	Corp	Music Education	5,000.00
Christopher Leggett University of North Carolina Chapel Hill, NC 27599-1400	Unrelated	Individual	Scholarship	12,000.00

Ms Monica A. Harper 1700 Breezy Drive, Apt 275 Waco, TX 76612	Unrelated	Individual	Scholarship	20,813.65
Marie Yates Harding University Business Office HU Box 10770 Searcy, AR 72149	Unrelated	Individual	Scholarship	3,500.00
Darton College 2400 Gillionville Road Albany, GA 31707	Unrelated	Corp	Student Writer Workshop	3,000 00
Melany Spencer 115 Halifax Place Albany, GA 31721	Unrelated	Individual	Scholarship	2,500.00
Scott Young 303 Nesbitt Road Leesburg, GA 31721	Unrelated	Individual	Scholarship	1,800.00
Robert Sharpe 2306 Winchester Road Albany, GA 31721	Unrelated	Individual	Scholarship	3,500.00
Sarah Bishop 62 Westminster Street Albany, GA 31721	Unrelated	Individual	Scholarship	3,000.00
Edward J. Atkinson Mercer Box 70225 1400 Coleman Avenue Macon, GA 31207	Unrelated	individual	Scholarship	5,000.00
Kenneth Beck 146 Dadford Drive Albany, GA 31721	Unrelated	Individual	Scholarship	1,000.00
				340,690 65