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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 07-01-2008 and ending 06-30-2009

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
LYNN R & KARL E PRICKETT FUND
CO PIEDMONT FINANCIAL TRUST COMPANY

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
P O BOX 20124

City or town, state, and ZIP code
GREENSBORO, NC 27420

A Employer identification number
56-6064788

B Telephone number (see the instructions)
(336) 274-5471

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)* ▶$ 13,379,692

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 the instructions))*

			(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	86	14,701		
	4	Dividends and interest from securities	3,811	279,598		
	5a	Gross rents				
	b	Net rental income or (loss) ________				
	6a	Net gain or (loss) from sale of assets not on line 10	0			
	b	Gross sales price for all assets on line 6a ________				
	7	Capital gain net income (from Part IV, line 2)				
	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)	569,762	268		
	12	**Total.** Add lines 1 through 11	573,659	294,567		
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)				
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see the instructions)		7,915		
	19	Depreciation (attach schedule) and depletion	0			
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)	90,365	205,751		23,292
	24	**Total operating and administrative expenses.** Add lines 13 through 23	90,365	213,666		23,292
	25	Contributions, gifts, grants paid	912,500			912,500
	26	**Total expenses and disbursements.** Add lines 24 and 25	1,002,865	213,666		935,792
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	-429,206			
	b	**Net investment income** (if negative, enter -0-)		80,901		
	c	**Adjusted net income** (if negative, enter -0-)				

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	9,010	1,596	1,596
2	Savings and temporary cash investments	123,594	126,803	127,153
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 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			
10a	Investments—U S and state government obligations (attach schedule)			
b	Investments—corporate stock (attach schedule)			
c	Investments—corporate bonds (attach schedule)	1,765	1,765	24
11	Investments—land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
12	Investments—mortgage loans			
13	Investments—other (attach schedule)			
14	Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶)	14,195,940	13,319,652	13,250,919
16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	14,330,309	13,449,816	13,379,692
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)		0	
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.**			
27	Capital stock, trust principal, or current funds	14,330,309	13,449,816	
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 the instructions)	14,330,309	13,449,816	
31	**Total liabilities and net assets/fund balances** (see the instructions)	14,330,309	13,449,816	

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	14,330,309
2	Enter amount from Part I, line 27a	2	-429,206
3	Other increases not included in line 2 (itemize) ▶	3	180,444
4	Add lines 1, 2, and 3	4	14,081,547
5	Decreases not included in line 2 (itemize) ▶	5	631,731
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	13,449,816

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				
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e				

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

	(i) 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				
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	-25,920
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 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 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	903,667	19,241,411	0 04697
2006	989,430	19,090,466	0 05183
2005	942,465	20,077,359	0 04694
2004	1,003,152	19,344,346	0 05186
2003	982,371	20,360,494	0 04825

2	**Total** of line 1, column (d)	2	0 24584
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 04917
4	Enter the net value of noncharitable-use assets for 2008 from Part X, line 5	4	13,790,932
5	Multiply line 4 by line 3	5	678,073
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	809
7	Add lines 5 and 6	7	678,882
8	Enter qualifying distributions from Part XII, line 4	8	935,792

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see 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	809
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	809
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	809
6	Credits/Payments				
a	2008 estimated tax payments and 2007 overpayment credited to 2008	6a	17,681		
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	17,681
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	16,872
11	Enter the amount of line 10 to be **Credited to 2009 estimated tax** ▶	16,872	**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		No
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?	1b		No
	*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		No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ ____ **(2)** On foundation managers ▶ $ ____			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ____			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		No
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		No
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		No
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		No
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	Yes	
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	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see the instructions) ▶NC			
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	Yes	
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*	9		No
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		No

Part VII-A Statements Regarding Activities Continued

			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)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11a		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	

Web site address ▶N/A

14 The books are in care of ▶PIEDMONT FINANCIAL TRUST CO Telephone no ▶(336) 274-5471

Located at ▶701 GREEN VALLEY ROAD GREENSBORO NC ZIP+4 ▶27408

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

			Yes	No
	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			
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 the instructions)?	1b		No
	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		No
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 ▶ 20____ , 20____ , 20____ , 20____			
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 the instructions)	2b		No
c	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____			
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			
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		No
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
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		No

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required Continued

5a	During the year did the foundation pay or incur any amount to			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☑ No			
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☑ No			
	(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☑ No			
	(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☑ No			
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☑ No			
b	If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see the instructions)?	**5b**		**No**
	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? ☐ Yes ☑ No			
	If "Yes," attach the statement required by Regulations section 53.4945–5(d).			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☑ No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	**6b**		**No**
	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**		**No**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see 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
See Additional Data Table				

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

(a) Name and address of each person paid more than $50,000	**(b)** Type of service	**(c)** Compensation
PIEDMONT FINANCIAL TRUST COMPANY PO BOX 20124 GREENSBORO,NC 27420	ACCOUNTING & ADMIN	89,266

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 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 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	13,555,339
b	Average of monthly cash balances			1b	445,607
c	Fair market value of all other assets (see the instructions)			1c	0
d	**Total** (add lines 1a, b, and c)			1d	14,000,946
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	
3	Subtract line 2 from line 1d			3	14,000,946
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see the instructions)			4	210,014
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4			5	13,790,932
6	**Minimum investment return.** Enter 5% of line 5			6	689,547

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	689,547
2a	Tax on investment income for 2008 from Part VI, line 5	2a	809		
b	Income tax for 2008 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	809
3	Distributable amount before adjustments Subtract line 2c from line 1			3	688,738
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	688,738
6	Deduction from distributable amount (see the instructions)			6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	688,738

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	935,792
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	935,792
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	809
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	934,983

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				688,738
2 Undistributed income, if any, as of the end of 2007				
a Enter amount for 2007 only.			911,620	
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 ▶ $ 935,792				
a Applied to 2007, but not more than line 2a			911,620	
b Applied to undistributed income of prior years (Election required—see the instructions). . . .				
c Treated as distributions out of corpus (Election required—see the instructions).	0			
d Applied to 2008 distributable amount.				24,172
e Remaining amount distributed out of corpus				
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				
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 the instructions				
e Undistributed income for 2006 Subtract line 4a from line 2a Taxable amount—see the instructions				
f Undistributed income for 2008 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2008				664,566
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see the instructions)				
8 Excess distributions carryover from 2002 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 **Excess distributions carryover to 2008.** Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9				
a From 2004.				
b From 2005.				
c From 2006.				
d From 2007.				
e From 2008.				

Part XIV **Private Operating Foundations** (see 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 organization is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2008	**(b)** 2007	**(c)** 2006	**(d)** 2005	
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 organization 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))

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

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

Check here ▶ ☑ if the organization only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the organization makes gifts, grants, etc (see 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

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 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 Additional Data Table				
Total . . . . ▶ **3a**				912,500
b *Approved for future payment*				
Total . . . . ▶ **3b**				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments. . . .					
3 Interest on savings and temporary cash investments			14	86	
4 Dividends and interest from securities. . . .			14	3,811	
5 Net rental income or (loss) from real estate					
a Debt-financed property.					
b Not debt-financed property.					
6 Net rental income or (loss) from personal property					
7 Other investment income.					
8 Gain or (loss) from sales of assets other than inventory					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory. .					
11 Other revenue a PARTNERSHIP DISTRIBUTIONS			14	569,762	
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e). .				573,659	

13 **Total.** Add line 12, columns (b), (d), and (e). 13 573,659

(See worksheet in line 13 instructions 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 organization's exempt purposes (other than by providing funds for such purposes) (See the instructions)

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 organization to a noncharitable exempt organization of			
(1) Cash	**1a(1)**		No
(2) Other assets	**1a(2)**		No
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization	**1b(1)**		No
(2) Purchases of assets from a noncharitable exempt organization	**1b(2)**		No
(3) Rental of facilities, equipment, or other assets	**1b(3)**		No
(4) Reimbursement arrangements	**1b(4)**		No
(5) Loans or loan guarantees	**1b(5)**		No
(6) Performance of services or membership or fundraising solicitations	**1b(6)**		No
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	**1c**		No

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 organization 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

****** | 2010-01-25 | ******

Signature of officer or trustee | Date | Title

Paid Preparer's Use Only

Preparer's Signature	Kimberly Ruefenacht	Date	Check if self-employed ☐	Preparer's SSN or PTIN (See **Signature** in the instructions)
Firm's name (or yours if self-employed), address, and ZIP code	PIEDMONT FINANCIAL TRUST CO PO BOX 20124 GREENSBORO, NC 274200124		EIN Phone no (336) 574-8675	

Additional Data

Software ID: 08000091
Software Version:
EIN: 56-6064788
Name: LYNN R & KARL E PRICKETT FUND
CO PIEDMONT FINANCIAL TRUST COMPANY

Form 990PF PartVIII Line 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
KATHERINE KESSNER P O BOX 20124 GREENSBORO, NC 27420	Trustee 0 00	0		
LISA V PROCHNOW P O BOX 20124 GREENSBORO, NC 27420	Trustee 0 00	0		
SAMUEL C CHAPIN P O BOX 20124 GREENSBORO, NC 27420	Trustee 0 00	0		
LYNN C GUNZENHAUSER P O BOX 20124 GREENSBORO, NC 27420	Trustee 0 00	0		
META MCDANIEL P O BOX 20124 GREENSBORO, NC 27420	Trustee 0 00	0		

Form 990PF Part XV Line 3a - Grants and Contributions Paid During the Year

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*				
Inland Northwest Land Trust35 W Main Ave Suite 210 Spokane, WA 99201		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	40,000
Colorado Springs Youth Sports Compl 2212 Executive Circle Colorado Springs, CO 80906		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	8,000
Dixie Theater Foundation Inc21 Ave East Apalachicola, FL 32320		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	8,000
Planned Parenthood Federation of Am 434 West 33rd St New York, NY 10001		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	10,000
PloughShares FundFort Mason Center Bldg 330 San Francisco, CA 94123		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	10,000
The Ocean Conservancy Inc1300 19th Street NW 8th Floor Washington, DC 20036		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	10,000
Federation of American Scientists 1725 DeSales Street 6th Floor Washington, DC 20036		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	8,500
Environmental Law Alliance Worldwid 1877 Garden Ave Eugene, OR 97403		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	20,000
Meals on Wheels235 Santa Cruz Ave Aptos, CA 95003		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	18,000
Center for International Policy Inc 1717 Massachusetts Ave Washington, DC 20036		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	20,000
Doctors Without Borders USA Inc333 Seventh Ave 2nd Floor New York, NY 10001		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	20,000
MADRE121 W 27th Street Room 301 New York, NY 10001		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	10,000
Hawaii Children's TheaterPO Box 662295 Lihue, HI 96766		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	4,000
Safe Ocean's SocietyPO Box 813 Hanalei, HI 96714		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	4,000
Bishop Museum1525 Bernice Street Honolulu, HI 96817		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	5,000
Total . . . . ▶ 3a				912,500

Form 990PF Part XV Line 3a - Grants and Contributions Paid During the Year

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*				
Candlelighters Childhood Cancer Fou PO Box 498 Kessington, MD 20895		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	20,000
Kauai Food Bank Inc3285 Waapa Road Suite A Lihue, HI 96766		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	15,000
Glen Highland Farm Inc217 Pegg Rd Morris, NY 13808		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	170,000
Cornell UniversityCollege of Veterinary Medicine S1 Ithica, NY 14853		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	12,500
Oasis for Kids344 Westline Ave Alameda, CA 94501		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	15,800
The Richard De Lone Special Housing 5 Plymouth Ave Mill Valley, CA 94941		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	15,850
Susan Howard's Novato Boxing Club4 Rita Court Novato, CA 94945		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	15,850
Jatan Sacha USA2312 Russel St Berkley, CA 94705		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	10,000
Environmental Education Council of42 Bolinas Rd Room Suite G Fairfax, CA 94930		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	125,000
Accion USA Inc56 Roland St Suite 300 Bostan, MA 02129		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	26,050
Pasados Safe HavenPO Box 171 Sultan, WA 98294		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	26,075
Sea Shepherd Conservation Society PO Box 2616 Friday Harbor, WA 98250		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	26,075
Orangutan Foundation International 4201 Wilshire Blvd Suite 407 Los Angeles, CA 90010		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	26,075
Emergency Food Network3318 92nd Street S Tacoma, WA 98409		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	26,075
Childhaven316 Broadway Seattle, WA 98122		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	26,075
Total . . . . ▶ **3a**				912,500

Form 990PF Part XV Line 3a - Grants and Contributions Paid During the Year

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*				
Hopelink16225 NE 87th St Suite A-1 Redmond, WA 98073		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	26,075
Community Foundation of Greater GSO 330 South Greene Street Suite 100 Greensboro, NC 27401		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	10,500
Hernando DeSoto Habitat for Humanit PO Box 845 Hernando, MS 38632		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	55,000
Mosaic4980 S 118th St Omaha, NE 68137		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	300
El Paso County Pride Soccer Associa 2660 Vickers Drive Colorado Springs, CO 80918		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	350
Pike's Peak Volleyball Club Inc7185 Silver Torch Ter Colorado Springs, CO 80919		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	350
Western Environmental Law Center 1216 Lincoln Street Eugene, OR 97401		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	8,000
Natural Heritage FoundationPO BOX 571 Cedar Glen, CA 92321		501(C)(3)	TO ASSIST EACH ORGANIZATION IN CARRYING OUT ITS EXEMPT PURPOSE	60,000
Total . . . . ▶ **3a**				912,500

TY 2008 Contractor Compensation Explanation

Name: LYNN R & KARL E PRICKETT FUND
CO PIEDMONT FINANCIAL TRUST COMPANY

EIN: 56-6064788

Software ID: 08000091

Software Version: 2008v2.7

Contractor	Explanation
PIEDMONT FINANCIAL TRUST COMPANY	

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93491032002000

TY 2008 General Explanation Attachment

Name: LYNN R & KARL E PRICKETT FUND
CO PIEDMONT FINANCIAL TRUST COMPANY

EIN: 56-6064788

Software ID: 08000091

Software Version: 2008v2.7

Identifier	Return Reference	Explanation
		PART IV CAPITAL GAIN AND LOSSES FOR TAX ON INVESTMENT INCOME LINE 2 CAPITAL GAIN NET INC OME OR (NET CAPITAL LOSS) 1 PIEDMONT ASSOCIATES INVESTMENT FUND LLC K-1 NET SHORT TERM CA PITAL GAIN (lOSS) (421,132) SECTION 1256 G/L - SHORT TERM 4,815 NET LONG TERM CAPITAL GAIN(LOSS) 297,447 SECTION 1256 G/L - LONG TERM 7,222 SECTION 1231 GAIN(LOSS) 79 2 PIEDMONT SO UTHEASTERN INVESTMENT FUND LLC K-1 NET SHORT TERM CAPITAL GAIN(LOSS) 7,923 NET LONG TERM C APITAL GAIN (LOSS) 77,726 TOTAL LINE 2 NET CAPITAL GAIN(LOSS) (25,920)

TY 2008 Other Assets Schedule

Name: LYNN R & KARL E PRICKETT FUND
CO PIEDMONT FINANCIAL TRUST COMPANY

EIN: 56-6064788

Software ID: 08000091

Software Version: 2008v2.7

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
PIEDMONT SOUTHEASTERN INVESTMENT FD LLC	4,928,493	6,139,150	6,404,392
PIEDMONT ASSOCIATES INVESTMENT FUND LLC	9,267,447	7,180,502	6,846,527

TY 2008 Other Decreases Schedule

Name: LYNN R & KARL E PRICKETT FUND
CO PIEDMONT FINANCIAL TRUST COMPANY

EIN: 56-6064788

Software ID: 08000091

Software Version: 2008v2.7

Description	Amount
PIEDMONT ASSOCIATES INVESTMENT FUND K-1 ADJUSTMENTS	61,966
DISTRIBUTIONS-PIEDMONT SOUTHEASTERN INVESTMENT FUND	344,787
DISTRIBUTIONS-PIEDMONT ASSOCIATES INVESTMENT FUND	224,978

TY 2008 Other Expenses Schedule

Name: LYNN R & KARL E PRICKETT FUND
CO PIEDMONT FINANCIAL TRUST COMPANY

EIN: 56-6064788

Software ID: 08000091

Software Version: 2008v2.7

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
TAX PREPARATION FEES	500			500
INVESTMENT INTEREST EXPENSES - PAIF		27,981		
INVESTMENT & ADVISOR FEES-PSIF K-1		3,502		
INVESTMENT & ADVISOR FEES-PAIF K-1		107,195		
BANK FEES	501	501		
AUDIT FEE	600			600
ACCTG, CHARITABLE& GRANTS ADMINISTRATION	88,764	66,572		22,192

TY 2008 Other Income Schedule

Name: LYNN R & KARL E PRICKETT FUND
CO PIEDMONT FINANCIAL TRUST COMPANY

EIN: 56-6064788

Software ID: 08000091

Software Version: 2008v2.7

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
PARTNERSHIP DISTRIBUTIONS	569,762		

TY 2008 Other Increases Schedule

Name: LYNN R & KARL E PRICKETT FUND
CO PIEDMONT FINANCIAL TRUST COMPANY
EIN: 56-6064788
Software ID: 08000091
Software Version: 2008v2.7

Description	Amount
PIEDMONT SOUTHEASTERN INVESTMENT FUND K-1 ADJUSTMENTS	180,444

TY 2008 Taxes Schedule

Name: LYNN R & KARL E PRICKETT FUND
CO PIEDMONT FINANCIAL TRUST COMPANY

EIN: 56-6064788

Software ID: 08000091

Software Version: 2008v2.7

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FOREIGN TAXES PAID		7,915		