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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 SEP 1, 2008 , and ending AUG 31, 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
PATRICIA E. & JOHN D. BASSETT, III, FOUNDATION

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
P.O. BOX 110

City or town, state, and ZIP code
GALAX, VA 24333

A Employer identification number
23-7066445

B Telephone number
2762366061

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: [X] 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) ▶$ 670,098.

J Accounting method: [X] 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))

		(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 ▶ [X] if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	12,635.	12,635.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	<126,148.>			STATEMENT 1
	b Gross sales price for all assets on line 6a 141,540.				
	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)				
	11 Other income				
	12 **Total.** Add lines 1 through 11	<113,513.>	12,635.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees STMT 3	4,300.	0.		0.
	c Other professional fees STMT 4	2,929.	2,929.		0.
	17 Interest				
	18 Taxes STMT 5	6,068.	6,068.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses				
	24 **Total operating and administrative expenses.** Add lines 13 through 23	13,297.	8,997.		0.
	25 Contributions, gifts, grants paid	53,500.			53,500.
	26 **Total expenses and disbursements.** Add lines 24 and 25	66,797.	8,997.		53,500.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	<180,310.>			
	b **Net investment income** (if negative, enter -0-)		3,638.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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Part II Balance Sheets

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

		Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1 Cash - non-interest-bearing	8,172.	1,923.	1,923.
	2 Savings and temporary cash investments	45,347.	38,850.	38,850.
	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			
	b Investments - corporate stock STMT 6	737,839.	572,775.	627,275.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)	2,050.	2,050.	2,050.
	16 **Total assets** (to be completed by all filers)	793,408.	615,598.	670,098.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable		2,500.	
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	0.	2,500.	
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	60,641.	60,641.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	732,767.	552,457.	
	30 **Total net assets or fund balances**	793,408.	613,098.	
	31 **Total liabilities and net assets/fund balances**	793,408.	615,598.	

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	793,408.
2	Enter amount from Part I, line 27a	2	<180,310.>
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	613,098.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	613,098.

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	STATE STREET(CROFT-LEOMINISTER)-SEE			
b	STATEMENT 101	P	VARIOUS	VARIOUS
c	STATE STREET(CROFT-LEOMINISTER)-SEE			
d	STATEMENT 101	P	VARIOUS	VARIOUS
e	CLASS ACTIONS PROCEEDS	P	VARIOUS	VARIOUS

	(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	42,377.		101,243.	<58,866.>
c				
d	97,052.		166,445.	<69,393.>
e	2,111.			2,111.

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				<58,866.>
c				
d				<69,393.>
e				2,111.

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** <126,148.>

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).
If (loss), enter -0- in Part I, line 8 **3** N/A

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? [X] 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			
2006			
2005			
2004			
2003			

2 **Total** of line 1, column (d)	2	
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	
4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5	4	
5 Multiply line 4 by line 3	5	
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	
7 Add lines 5 and 6	7	
8 Enter qualifying distributions from Part XII, line 4	8	

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

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ 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	73.
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	73.
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	73.
6	Credits/Payments:			
a	2008 estimated tax payments and 2007 overpayment credited to 2008	6a 2,600.		
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	2,600.
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	2,527.
11	Enter the amount of line 10 to be: **Credited to 2009 estimated tax** ▶ 2,527. **Refunded** ▶		11	0.

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 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? N/A	4b		
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 instructions) ▶ VA			
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)? *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)*

			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 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 ▶ N/A

14 The books are in care of ▶ PATRICIA E. BASSETT Telephone no. ▶ 336-363-9169

Located at ▶ P.O. BOX 110, GALAX, VA ZIP+4 ▶ 24333

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.

				Yes	No
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 page 20 of the instructions)?	N/A	1b		
	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 ▶ ______, ______, ______, ______				
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 instructions.)	N/A	2b		
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			
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.)*	N/A	3b		
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)*

		Yes	No
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			
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? N/A	7b		

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 7		0.	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

Part VIII **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** *(continued)*

3 Five highest-paid independent contractors for professional services. 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 ▶ 0

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 N/A	0.
2	
3	
4	

Part IX-B **Summary of Program-Related Investments**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments. See instructions. 3	
Total. Add lines 1 through 3 ▶	0.

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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	632,602.
b	Average of monthly cash balances	1b	48,003.
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	680,605.
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	680,605.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	10,209.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	670,396.
6	**Minimum investment return** Enter 5% of line 5	6	33,520.

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	33,520.
2a	Tax on investment income for 2008 from Part VI, line 5 — 2a: 73.		
b	Income tax for 2008. (This does not include the tax from Part VI.) — 2b:		
c	Add lines 2a and 2b	2c	73.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	33,447.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	33,447.
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	33,447.

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	53,500.
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	53,500.
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	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	53,500.

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
1 Distributable amount for 2008 from Part XI, line 7				33,447.
2 Undistributed income, if any, as of the end of 2007				
a Enter amount for 2007 only			52,401.	
b Total for prior years: ____ , ____ , ____		0.		
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	0.			
4 Qualifying distributions for 2008 from Part XII, line 4: ▶ $ 53,500.				
a Applied to 2007, but not more than line 2a			52,401.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2008 distributable amount				1,099.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2008 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
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		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2007. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2008. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2009				32,348.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2003 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2009.** Subtract lines 7 and 8 from line 6a	0.			
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				

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)

	Tax year	Prior 3 years			
	(a) 2008	(b) 2007	(c) 2006	(d) 2005	(e) Total
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(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 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 ▶ [X] 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:

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 STATEMENT 8				
Total			▶ 3a	53,500.
b Approved for future payment				
NONE				
Total			▶ 3b	0.

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
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			14	12,635.	
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			18	<126,148.>	
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)		0.		<113,513.>	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 <113,513.>

(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 foundation's exempt purposes (other than by providing funds for such purposes).

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
		N/A	

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
N/A		

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.

Patricia E. Bassett 1/13/10 Secretary

Signature of officer or trustee | Date | Title

Paid Preparer's Use Only

Preparer's signature	Addison Moello	Date 1/11/10	Check if self-employed ☐	Preparer's identifying number
Firm's name (or yours if self-employed), address, and ZIP code	SMITH LEONARD PLLC 4035 PREMIER DRIVE, SUITE 300 HIGH POINT, NC 27265	EIN	Phone no. (336) 883-0181

PATRICIA E. AND JOHN D. BASSETT, III FOUNDATION 23-7066445
ATTACHMENT TO FORM 990-PF
AUGUST 31, 2008

ENDING NO. OF SHARES	SECURITY	BEGINNING OF YEAR BOOK VALUE	END OF YEAR BOOK VALUE	END OF YEAR MARKET VALUE
	EQUITY INVESTMENT IN STATE STREET :			
253	AAR CORP	10,403	7,456	4,304
125	ATENA INC	-	5,270	3,563
374	ABB LTD-SPONSORED ADR	6,693	7,886	7,170
280	ABITIBOWATER INC.	6,425	-	-
130	ALBEMARLE CORP	10,674	4,956	4,190
204	ALCOA INC.	8,076	-	-
105	ALLEGHENY TECHNOLOGIES INC.	7,065	7,065	3,189
306	ALLSTATE CORP	6,946	11,098	8,993
264	ALTERA CORP	4,899	4,899	5,071
410	ACE, LTD.	11,043	9,843	21,394
254	AMDOCS LTD ORD	8,886	8,886	6,177
95	AMERICAN INTERNATIONAL GROUP	19,707	-	-
95	AMERICAN EXPRESS CO	-	1,900	3,213
112	ATLAS AMERICA INC	-	1,894	2,484
338	BALDOR ELECTRIC CO.	10,781	11,529	9,488
470	BANK OF AMERICA CORPORATION	8,811	8,811	8,267
180	BANK OF NEW YORK MELLON CORP.	7,874	7,874	5,330
32	BHP BILLITON LTD ADR	-	1,976	1,994
175	BILL BARRETT CORP	6,018	-	-
439	BRIGHAM EXPLORATION CO	-	1,810	2,875
537	CB RICHARD ELLIS GROUP INC A	6,941	1,869	6,358
422	CIT GROUP INC.	3,977	-	-
234	CABLEVISION SYSTEM-NY GRP-A	5,988	5,988	5,228
531	CALPINE CORP	14,221	9,087	6,245
155	CATERPILLAR, INC.	9,559	9,559	7,023
102	CEPHALON INC.	5,953	5,953	5,809
70	CF INDUSTRIES HOLDINGS, INC.	1,767	1,302	5,716
229	CVS/CAREMARK CORP	-	7,403	8,592
319	CISCO SYSTEMS INC.	8,243	8,243	6,890
600	CITIGROUP INC.	2,620	2,620	3,000
725	COLLECTIVE BRANDS, INC	17,757	15,605	11,484
354	CORNING INC.	7,621	7,621	5,338
221	CRESCENT POINT ENERGY CORP	-	6,370	7,370
484	CRESUD SA SPONSORED ADR	8,155	-	-
234	DEERE & COMPANY	9,882	9,882	10,202
237	DU PONT E I DE NEMOURS & CO	6,897	8,811	7,567
1,862	DYNEGY INC-A	14,149	-	-
121	EDWARDS LIFESCIENCES CORP	6,759	4,173	7,487
137	FIRSTENERGY CORP	6,442	6,442	6,183
354	FMC CORP	5,624	5,624	16,886
28	FLOWSERVE CORP	-	1,631	2,415
250	FORESTAR REAL ESTATE GROUP	5,633	-	-
1,231	FORTUNE MINERALS LTD	3,472	-	-
520	FOSTER WHEELER LTD	4,895	4,895	15,054
237	FREEPORT MCMORAN COPPER & GOLD B	18,089	18,089	14,926
416	GENERAL ELECTRIC CORP	10,451	10,679	5,782
87	GENZYME CORPORATION	-	4,643	4,847
501	GENERAL CABLE CORP	17,857	19,324	17,887
533	GENWORTH FINANCIAL INC-A	14,556	-	-

ENDING NO. OF SHARES	SECURITY	BEGINNING OF YEAR BOOK VALUE	END OF YEAR BOOK VALUE	END OF YEAR MARKET VALUE
262	GULFPORT ENERGY CORP	4,191	-	-
313	HONEYWELL INTERNATIONAL	13,079	13,079	11,506
555	INVESCO LTD	9,088	9,088	11,516
216	ITT CORPORATION	10,542	10,542	10,817
101	JOHNSON & JOHNSON	5,806	5,806	6,104
100	KANSAS CITY SOUTHERN IND	85	85	2,390
334	LIBERTY ENTERTAINMENT-A	9,396	5,374	9,315
158	LORILLARD INC W/I	11,591	-	-
645	LOWES COMPANIES	9,219	7,252	13,867
565	MARSH & MCLENNAN COS INC.	16,826	16,826	13,300
276	METLIFE INC	-	7,842	10,422
106	MONSANTO CO	-	8,389	8,891
480	MERCATOR MINERALS LTD	5,724	-	-
156	NALCO HOLDING CO	-	2,618	2,792
1,043	NATIONAL CITY CORP	6,085	-	-
86	NORFOLK SOUTHERN CORP	-	2,962	3,945
478	NEXEN INC.	4,393	4,393	9,397
2,484	OILSANDS QUEST INC.	11,856	-	-
833	OPTI CANADA, INC.	10,311	-	-
255	PENN WEST ENERGY TRUST	7,351	-	-
206	PERKINELMER INC	3,788	-	-
696	PETROBANK ENERGY & RESOURCES LTD	5,678	4,542	25,742
495	PFIZER INC	6,908	6,908	8,267
455	PHARMACEUTICAL PRODUCT DEVELOPMENT	7,320	6,284	9,150
149	PHILIP MORRIS INTERNATIONAL INC	7,355	7,355	6,811
323	PLUM CREEK TIMBER CO	14,153	14,153	9,784
219	POTLATCH CORP	13,727	7,555	6,373
57	POTASH CORP SASK INC	-	6,037	5,045
138	PROCTOR & GAMBLE	4,306	4,306	7,467
220	PRUDENTIAL FINANCIAL INC.	7,004	7,004	11,128
347	QUANTA SERVICES INC	8,104	-	-
456	QUADRA MINING LTD	-	3,051	4,667
569	QIAGEN NV	7,320	7,320	11,693
395	SIERRA PACIFIC RESOURCES	5,384	-	-
237	SCHERING PLOUGH CORP	-	5,655	6,679
409	SOUTHWESTERN ENERGY	10,829	9,649	15,076
265	SPROTT MOLYBDENUM PARTICPAT	1,457	-	-
118	ST JOE COMPANY	4,440	-	-
462	TEREX CORP.	3,083	5,897	7,614
125	3M CO	9,476	9,476	9,013
163	TRINITY INDUSTRIES INC	5,650	-	-
121	TYCO INTERNATIONAL LTD	-	2,410	3,834
239	ULTRA PETROLEUM CORPORATION	13,050	13,050	11,097
205	UNITED TECHNOLOGIES CORP	12,767	12,767	12,169
287	UNITEDHEALTH GROUP INC	13,556	13,556	8,036
129	USG CORPPORATION	7,269	-	-
100	VARIAN INC.	884	-	-
424	VERISIGN INC	11,661	-	-
330	VIACOM INC CLASS B	10,849	-	-
57	VALMONT INDUSTRIES INC	-	3,192	4,693
461	WEYERHAEUSER CO	30,679	30,679	17,237

PATRICIA E. AND JOHN D. BASSETT, III FOUNDATION
ATTACHMENT TO FORM 990-PF
AUGUST 31, 2008

23-7066445

ENDING NO. OF SHARES	SECURITY	BEGINNING OF YEAR BOOK VALUE	END OF YEAR BOOK VALUE	END OF YEAR MARKET VALUE
762	WILLIAMS COS INC	7,461	6,792	12,527
270	WYETH	16,326	11,914	12,920
	ROUNDING	(1)	-	
	TOTAL EQUITY INVESTMENTS - STATE STREET	737,838	572,775	627,275
	TOTAL INVESTMENTS - CORPORATE STOCK	737,838	572,775	627,275

Patricia & John D. Bassett III Foundation
Croft-Leominster, Inc.
Realized Gains and Losses
From 09-01-08 Through 08-31-09

Open Date	Close Date	Quantity	Security		Cost Basis	Proceeds	Gain or Loss Short Term
12/14/2007	11/19/2008	1130	Dynegy, Inc.		$ 8,576 70	$ 2,157 72	$ (6,418 98)
6/12/2008	10/13/2008	204	Alcoa Inc		8,075 58	2,607 62	(5,467 96)
2/5/2008	10/24/2008	380	CB Richard Ellis Group Inc-A		6,940 70	1,775 27	(5,165 43)
1/25/2008	12/17/2008	250	Forestar Group Inc		5,633 13	1,248 79	(4,384 34)
12/19/2007	11/19/2008	732	Dynegy, Inc		5,572 42	1,397 75	(4,174 67)
3/5/2008	9/29/2008	609	Abitibowater Inc		6,425 38	2,404 93	(4,020 45)
5/19/2008	10/29/2008	1043	National City Corp	A-	6,085 28	2,482 33	(3,602 95)
12/19/2007	11/19/2008	140	Genworth Financial Inc		3,439 14	146 03	(3,293 11)
6/26/2008	11/20/2008	251	Mercator Minerals Ltd		3,002 88	63 50	(2,939 38)
2/27/2008	12/18/2008	169	OPTI Canada, Inc (FOREIGN)		2,988 07	263 50	(2,724 57)
6/27/2008	11/20/2008	229	Mercator Minerals Ltd		2,720 69	57 94	(2,662 75)
3/14/2008	10/22/2008	225	Cresud S A Spons ADR		3,404 34	1,353 88	(2,050 46)
2/26/2008	10/22/2008	159	Cresud S A Spons ADR		2,908 32	956 74	(1,951 58)
3/6/2008	12/9/2008	347	Quanta Services, Inc		8,104 12	6,353 67	(1,750 45)
8/18/2008	11/19/2008	211	The CIT Group, Inc		2,012 58	488 04	(1,524 54)
8/18/2008	11/19/2008	211	The CIT Group, Inc		1,964 30	488 04	(1,476 26)
2/27/2008	10/22/2008	100	Cresud S A Spons ADR		1,842 51	601 73	(1,240 78)
5/19/2008	11/19/2008	99	Lorillard, Inc		7,211 87	5,978 08	(1,233 79)
6/4/2008	11/19/2008	59	Lorillard, Inc		4,378.68	3,562 70	(815 98)
1/5/2009	1/20/2009	39	PNC Financial Services Group	B	1,868.33	1,120 60	(747 73)
1/8/2009	1/20/2009	37	PNC Financial Services Group	B	1,807.12	1,063 14	(743 98)
9/23/2008	11/19/2008	156	Dynegy, Inc		652.19	297 88	(354 31)
12/11/2008	3/27/2009	118	Boeing Co		4,855 62	4,503 67	(351 95)
8/22/2008	9/22/2008	21	American International Group Inc	A+	425.37	101 05	(324.32)
2/2/2009	7/16/2009	100	CB Richard Ellis Group Inc-A		347 99	901 97	553 98
TOTAL SHORT-TERM GAINS(LOSSES)					**$ 101,243.31**	**$ 42,376.57**	**$ (58,866.74)**

Open Date	Close Date	Quantity	Security	Cost Basis	Proceeds	Gain or Loss Long Term
8/24/1995	7/15/2009	141 5	Viacom Inc - Cl B	$ 2,124 05	$ 3,053 49	$ 929 44
2/4/1998	7/15/2009	100	Wyeth	4,486 50	4,559 88	73 38
3/1/1999	7/15/2009	100	Varian Inc	790 21	3,780 90	2,990 69
10/12/2000	7/15/2009	80	Lowe's Companies	708 65	1,575 95	867 30
10/12/2000	7/16/2009	75	Lowe's Companies	664 36	1,477 46	813 10
2/20/2001	7/15/2009	20	Lowe's Companies	292 99	393 99	101 00
5/22/2002	7/15/2009	60	Liberty Media Corp - Entertainment	966 88	1,562 96	596 08
5/28/2002	7/15/2009	79 2	Liberty Media Corp - Entertainment	1,347.31	2,063 10	715 79
6/5/2002	7/15/2009	10 8	Liberty Media Corp - Entertainment	172.85	281 33	108 48
6/5/2002	7/16/2009	29 2	Liberty Media Corp - Entertainment	467 32	765 90	298 58
8/13/2003	7/16/2009	75	Williams Cos Inc	618 65	1,141 47	522 83
8/19/2003	7/16/2009	70 8	Liberty Media Corp - Entertainment	1,119 43	1,857 03	737 60
12/12/2003	7/15/2009	45	Viacom Inc - Cl B	2,244 54	971 07	(1,273 47)
1/7/2004	7/16/2009	75	Pharmaceutical Product Development	1,059 05	1,604 95	545 90
10/8/2004	7/15/2009	206	PerkinElmer, Inc	3,787 51	3,526 62	(260 89)
1/6/2005	7/16/2009	50	Ace Ltd	2,135 50	2,240 44	104 94
2/8/2005	12/18/2008	484	OPTI Canada, Inc (FOREIGN)	4,130 77	754 65	(3,376 12)

3/7/2005	7/15/2009	75	Edwards Lifesciences Corporation	3,273 42	4,982 87	1,709 45
4/4/2005	3/4/2009	174	Petrobank Energy & Resources, Ltd	603 95	2,696 35	2,092 40
4/15/2005	9/22/2008	154	American International Group Inc A+	8,040 34	741 07	(7,299 27)
7/27/2005	7/15/2009	143 5	Viacom Inc - Cl B	5,833 45	3,096 65	(2,736 80)
8/1/2005	6/10/2009	169	Verisign, Inc	4,463 95	3,288 87	(1,175 08)
8/11/2005	9/22/2008	62	American International Group Inc A+	3,866 48	298 35	(3,568 13)
9/15/2005	12/18/2008	180	OPTI Canada, Inc (FOREIGN)	3,192 03	280 65	(2,911 38)
10/31/2005	1/2/2009	166	Bill Barrett Corporation	5,237 95	3,870 02	(1,367 93)
12/6/2005	12/17/2008	395	NV Energy, Inc	5,384 44	3,600 48	(1,783 96)
1/9/2006	1/2/2009	9	Bill Barrett Corporation	339 23	209 82	(129 41)
5/11/2006	9/22/2008	19	American International Group Inc A+	1,229 68	91 43	(1,138 25)
8/18/2006	7/15/2009	163	Trinity Industries	5,650 23	2,343 87	(3,306 36)
10/10/2006	7/16/2009	25	CF Industries Holdings, Inc	465 07	1,822 45	1,357 38
12/8/2006	10/24/2008	129	USG Corporation	7,269 45	2,531 15	(4,738 30)
1/16/2007	7/15/2009	255	Penn West Energy Trust	7,351.22	3,133 86	(4,217 36)
2/28/2007	6/10/2009	45	Verisign, Inc	1,138.50	875 74	(262 76)
3/15/2007	7/16/2009	100	AAR Corp	3,082 82	1,785 95	(1,296 87)
4/9/2007	9/22/2008	91	American International Group Inc A+	6,145 57	437 89	(5,707 68)
5/1/2007	11/20/2008	265	Sprott Molybdenum Particpat (FOREIGN)	1,456 86	157 29	(1,299 57)
5/2/2007	7/15/2009	20	General Cable Corp	1,215 05	757 58	(457 47)
5/8/2007	11/21/2008	691	OilSands Quest Inc	2,146 67	466 56	(1,680 11)
5/11/2007	11/21/2008	590	OilSands Quest Inc	1,883 75	398 37	(1,485 38)
5/30/2007	6/10/2009	210	Verisign, Inc	6,058 69	4,086 77	(1,971 92)
6/26/2007	7/15/2009	55	General Cable Corp	4,228 83	2,083 34	(2,145 49)
6/27/2007	7/15/2009	100	Collective Brands, Inc	3,193 72	1,480 96	(1,712 76)
7/12/2007	1/22/2009	0 14	Clearwater Paper Corp	3 75	1 39	(2 36)
7/12/2007	1/28/2009	48 14	Clearwater Paper Corp	1,265 58	538 97	(726 61)
7/12/2007	7/15/2009	100	Potlatch Corp	3,665 29	2,481 93	(1,183 36)
7/19/2007	11/21/2008	578	OilSands Quest Inc	2,321 83	390 26	(1,931 57)
7/23/2007	11/21/2008	327	OilSands Quest Inc	1,303 75	220 79	(1,082 96)
7/31/2007	11/21/2008	298	OilSands Quest Inc	1,284 47	201 21	(1,083 26)
8/9/2007	11/19/2008	280	Genworth Financial Inc	8,018 84	292 07	(7,726 77)
8/10/2007	11/19/2008	113	Genworth Financial Inc.	3,097 53	117 87	(2,979 66)
8/27/2007	7/16/2009	147	Albemarle Corp	5,667 31	3,850 31	(1,817 00)
9/28/2007	10/27/2008	1231	Fortune Minerals LTD	3,472 29	410 54	(3,061 75)
10/11/2007	10/13/2008	118	The St Joe Company	4,439 95	3,909 93	(530 02)
10/26/2007	7/16/2009	50	Southwestern Energy Co	1,253 33	1,946 44	693 11
1/10/2008	1/28/2009	42 86	Clearwater Paper Corp	1,055 23	479 79	(575 44)
2/5/2008	7/16/2009	3	Albemarle Corp	112 93	78 58	(34 35)
2/7/2008	7/16/2009	78	Calpine Corp	1,296 09	857.59	(438 50)
2/27/2008	7/15/2009	100	Calpine Corp	1,859.53	1,104 97	(754 56)
2/27/2008	7/16/2009	122	Calpine Corp.	2,268 63	1,341 35	(927 28)
5/27/2008	7/15/2009	262	Gulfport Energy Corp	4,190 61	1,698 10	(2,492 51)
TOTAL LONG-TERM GAINS(LOSSES)				**$ 166,444.86**	**$ 97,051.62**	**$ (69,393.23)**
TOTAL GAINS(LOSSES)				**$ 267,688.17**	**$ 139,428.19**	**$(128,259.97)**

FORM 990-PF	GAIN OR (LOSS) FROM SALE OF ASSETS	STATEMENT 1

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
STATE STREET(CROFT-LEOMINISTER)-SEE STATEMENT 101	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
42,377.	101,243.	0.	0.	<58,866.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
STATE STREET(CROFT-LEOMINISTER)-SEE STATEMENT 101	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
97,052.	166,445.	0.	0.	<69,393.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
CLASS ACTIONS PROCEEDS	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
2,111.	0.	0.	0.	2,111.

CAPITAL GAINS DIVIDENDS FROM PART IV	0.
TOTAL TO FORM 990-PF, PART I, LINE 6A	<126,148.>

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
STATE STREET	12,635.	0.	12,635.
TOTAL TO FM 990-PF, PART I, LN 4	12,635.	0.	12,635.

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	4,300.	0.		0.
TO FORM 990-PF, PG 1, LN 16B	4,300.	0.		0.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
CROFT-LEOMINSTER INVEST. FEE	2,929.	2,929.		0.
TO FORM 990-PF, PG 1, LN 16C	2,929.	2,929.		0.

FORM 990-PF TAXES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAXES	6,068.	6,068.		0.
TO FORM 990-PF, PG 1, LN 18	6,068.	6,068.		0.

FORM 990-PF CORPORATE STOCK STATEMENT 6

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SEE STATEMENT B	572,775.	627,275.
TOTAL TO FORM 990-PF, PART II, LINE 10B	572,775.	627,275.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 7

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
JOHN D. BASSETT, III P.O. BOX 110 GALAX, VA 24333	PRESIDENT 0.50	0.	0.	0.
PATRICIA E. BASSETT P.O. BOX 110 GALAX, VA 24333	SECRETARY 0.50	0.	0.	0.
JOHN D. BASSETT, IV P.O. BOX 110 GALAX, VA 24333	VICE-PRESIDENT 0.50	0.	0.	0.
ELLEN BASSETT P.O. BOX 110 GALAX, VA 24333	VICE-PRESIDENT 0.50	0.	0.	0.
FRANCES B. POOLE P.O. BOX 110 GALAX, VA 24333	VICE-PRESIDENT 0.50	0.	0.	0.
E. ASHTON POOLE P.O. BOX 110 GALAX, VA 24333	VICE-PRESIDENT 0.50	0.	0.	0.
WYATT P. BASSETT P.O. BOX 110 GALAX, VA 24333	VICE-PRESIDENT 0.50	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

FORM 990-PF GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR STATEMENT 8

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
CHERRY LANE VOLUNTEER FIRE DEPARTMENT ROARING GAP, NC	CHARITABLE		1,200.
ALLEGHENY MEMORIAL HOSPITAL FUND SPARTA, NC	MEDICAL		1,000.
AMERICAN CANCER SOCIETY ATLANTA, GA	CHARITABLE		1,000.
AMERICAN HEART ASSOCIATION GREENSBORO, NC	CHARITABLE		1,000.
CHRIST EPISCOPAL CHURCH SPARTA, NC	RELIGIOUS		21,500.
CHRIST MEMORIAL CHAPEL HOBE SOUND, FL	RELIGIOUS		1,200.
SPARTA TEAPOT MUSEUM SPARTA, NC	CHARITABLE		500.
HOLLINS UNIVERSITY ROANOKE, VA	EDUCATIONAL		1,800.
STANLEYTOWN UNITED METHODIST CHURCG STANLEYTOWN, VA	RELIGIOUS		500.
JUPITER ISLAND MEDICAL FUND, INC HOBE SOUND, FL	CHARITABLE		3,500.
FIRST UNITED METHODIST CHURCH MARTINSVILLE, VA	RELIGIOUS		300.

ROARING GAP FUND (MEMORIALS GRAY AND HAUPTFUHRER) NEW YORK, NY	CHARITABLE	3,200.
ROARING GAP CHURCH ROARING GAP, NC	RELIGIOUS	1,500.
ST. MARY'S SCHOOL RALEIGH, NC	EDUCATIONAL	500.
STELLLA MARIS HIGH SCHOOL ROCKAWAY PARK, NY	EDUCATIONAL	3,800.
MARTINSVILLE CEMETERY FUND MARTINSVILLE, VA	CHARITABLE	500.
UNITED WAY GALAX, VA	CHARITABLE	500.
TWIN COUNTY VETERANS MEMORIAL GALAX, VA	CHARITABLE	5,000.
WASHINGTON & LEE UNIVERSITY LEXINGTON, VA	EDUCATIONAL	5,000.
WINSTON-SALEM FOUNDATION WINSTON-SALEM, NC	CHARITABLE	
TOTAL TO FORM 990-PF, PART XV, LINE 3A		53,500.