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Form 990-PF

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

2008

Department of the Treasury Internal Revenue Service

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

For calendar year 2008, or tax year beginning 10-01-2008 and ending 09-30-2009

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 ASSOCIATED FOUNDATION INCORPORATED. A Employer identification number 56-6043197. B Telephone number (704) 825-4847. H Check type of organization Section 501(c)(3) exempt private foundation. I Fair market value of all assets at end of year \$ 692,749. J Accounting method Accrual.

Table with 5 columns: (a) Revenue and expenses per books, (b) Net investment income, (c) Adjusted net income, (d) Disbursements for charitable purposes. Rows include Revenue (1-12), Operating and Administrative Expenses (13-26), and Summary (27-29).

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	
1 Cash—non-interest-bearing	4,834	47,230	47,230	
2 Savings and temporary cash investments				
3 Accounts receivable <input type="checkbox"/> _____ Less allowance for doubtful accounts <input type="checkbox"/> _____				
4 Pledges receivable <input type="checkbox"/> _____ Less allowance for doubtful accounts <input type="checkbox"/> _____				
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) <input type="checkbox"/> _____ Less allowance for doubtful accounts <input type="checkbox"/> _____				
8 Inventories for sale or use				
9 Prepaid expenses and deferred charges	136			
10a Investments—U S and state government obligations (attach schedule)	0 <input type="checkbox"/>	115,751	115,751	
b Investments—corporate stock (attach schedule)	250,686 <input type="checkbox"/>	326,422	326,422	
c Investments—corporate bonds (attach schedule)	48,588 <input type="checkbox"/>	142,139	142,139	
11 Investments—land, buildings, and equipment basis <input type="checkbox"/> _____ Less accumulated depreciation (attach schedule) <input type="checkbox"/> _____				
12 Investments—mortgage loans				
13 Investments—other (attach schedule)	364,700 <input type="checkbox"/>	61,207	61,207	
14 Land, buildings, and equipment basis <input type="checkbox"/> _____ Less accumulated depreciation (attach schedule) <input type="checkbox"/> _____				
15 Other assets (describe <input type="checkbox"/> _____)				
16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	668,944	692,749	692,749	
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 <input type="checkbox"/> _____)	<input type="checkbox"/> 0	<input type="checkbox"/> 284		
23 Total liabilities (add lines 17 through 22)	0	284		
Foundations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
24 Unrestricted	668,944	692,465		
25 Temporarily restricted				
26 Permanently restricted				
Foundations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 31.				
27 Capital stock, trust principal, or current funds				
28 Paid-in or capital surplus, or land, bldg, and equipment fund				
29 Retained earnings, accumulated income, endowment, or other funds				
30 Total net assets or fund balances (see the instructions)	668,944	692,465		
31 Total liabilities and net assets/fund balances (see the instructions)	668,944	692,749		

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	668,944
2 Enter amount from Part I, line 27a	2	-70,429
3 Other increases not included in line 2 (itemize) <input type="checkbox"/> _____	3	93,950
4 Add lines 1, 2, and 3	4	692,465
5 Decreases not included in line 2 (itemize) <input type="checkbox"/> _____	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	692,465

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 See Additional Data Table			
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 See Additional Data Table			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a See Additional Data Table			
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	104,481
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	28,275	736,265	0.038403
2006	32,775	739,875	0.044298
2005	36,141	674,674	0.053568
2004	32,750	673,572	0.048621
2003	31,400	633,665	0.049553

2 Total of line 1, column (d).	2	0.234443
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	0.046889
4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5.	4	626,746
5 Multiply line 4 by line 3.	5	29,387
6 Enter 1% of net investment income (1% of Part I, line 27b).	6	1,179
7 Add lines 5 and 6.	7	30,566
8 Enter qualifying distributions from Part XII, line 4.	8	31,743

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 <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling letter _____ (attach copy of ruling letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/>	1	1,179
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	1,179
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	1,179
6	Credits/Payments		
a	2008 estimated tax payments and 2007 overpayment credited to 2008	6a	920
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	920
8	Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached.	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed .	9	259
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid .	10	
11	Enter the amount of line 10 to be Credited to 2009 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		No
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)? <i>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.</i>		No
c Did the foundation file Form 1120-POL for this year?		No
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation <input type="checkbox"/> \$ 0 (2) On foundation managers <input type="checkbox"/> \$ 0		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ 0		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		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? <i>If "Yes," attach a conformed copy of the changes.</i>		No
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		No
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		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?	Yes	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	Yes	
8a Enter the states to which the foundation reports or with which it is registered (see the instructions) <input type="checkbox"/> 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? <i>If "No," attach explanation.</i>	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)? <i>If "Yes," complete Part XIV</i>		No
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		No

Part VII-A Statements Regarding Activities Continued

<p>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)</p> <p>.....</p>	11a		No
<p>12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract?</p>	12		No
<p>13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application?</p> <p>Web site address ▶n/a</p>	13	Yes	
<p>14 The books are in care of ▶SAM STOWE Telephone no ▶(704) 825-4847</p> <p>Located at ▶po box 707 belmont NC ZIP+4 ▶28012</p>			
<p>15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here ▶ <input type="checkbox"/></p> <p>and enter the amount of tax-exempt interest received or accrued during the year ▶ 15</p>			

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
<p>1a During the year did the foundation (either directly or indirectly)</p> <p>(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>				
<p>b 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)?</p> <p>Organizations relying on a current notice regarding disaster assistance check here. ▶ <input type="checkbox"/></p>	1b			
<p>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?</p>	1c			No
<p>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))</p> <p>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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If "Yes," list the years ▶ 20___, 20___, 20___, 20___</p> <p>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).</p> <p>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___</p>				
<p>3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>b 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? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2008.</i>)</p>	3b			
<p>4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?</p>	4a			No
<p>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?</p>	4b			No

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

<p>5a During the year did the foundation pay or incur any amount to</p> <p>(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(3) Provide a grant to an individual for travel, study, or other similar purposes? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions). <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Organizations relying on a current notice regarding disaster assistance check here. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," attach the statement required by Regulations section 53.4945–5(d).</p> <p>6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If you answered "Yes" to 6b, also file Form 8870.</p> <p>7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	5b	
	6b	No
	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 (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. 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—(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
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 CONTRIBUTIONS AWARDED ANNUALLY TO LOCAL NON-PROFIT ORGANIZATIONS THERE WERE 13 NON-PROFIT ORGANIZATIONS RECEIVING FUNDS DURING THE CURRENT YEAR	28,850
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.	0

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	542,281
b	Average of monthly cash balances.	1b	94,009
c	Fair market value of all other assets (see the instructions).	1c	0
d	Total (add lines 1a, b, and c).	1d	636,290
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	636,290
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see the instructions).	4	9,544
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	626,746
6	Minimum investment return. Enter 5% of line 5.	6	31,337

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	31,337
2a	Tax on investment income for 2008 from Part VI, line 5.	2a	1,179
b	Income tax for 2008 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	1,179
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	30,158
4	Recoveries of amounts treated as qualifying distributions.	4	0
5	Add lines 3 and 4.	5	30,158
6	Deduction from distributable amount (see the instructions).	6	0
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1.	7	30,158

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	31,743
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	31,743
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	1,179
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	30,564

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				30,158
2 Undistributed income, if any, as of the end of 2007				
a Enter amount for 2007 only.			3,209	
b Total for prior years 20___, 20___, 20___		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 ▶ \$ <u>31,743</u>				
a Applied to 2007, but not more than line 2a			3,209	
b Applied to undistributed income of prior years (Election required—see the instructions).		0		
c Treated as distributions out of corpus (Election required—see the instructions).	0			
d Applied to 2008 distributable amount.				28,534
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2008 <i>(If an amount appears in column (d), the same amount must be shown in column (a).)</i>	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 the instructions.		0		
e Undistributed income for 2006 Subtract line 4a from line 2a Taxable amount—see the instructions.			0	
f Undistributed income for 2008 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2008.				1,624
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).	0			
8 Excess distributions carryover from 2002 not applied on line 5 or line 7 (see page 27 of the instructions).	0			
9 Excess distributions carryover to 2008. Subtract lines 7 and 8 from line 6a.	0			
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 <i>Paid during the year</i> See Additional Data Table				
Total				3a 28,850
b <i>Approved for future payment</i>				
Total				3b 0

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Lines e - h

(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)
109,813		158,121	-48,308
206,223		275,474	-69,251
14,960		20,000	-5,040
26,223		43,832	-17,609
1,594		5,009	-3,415
251,664		6,135	245,529
296		288	8
4,463		4,519	-56
10,094		10,014	80
6,658		5,675	983
4,483		4,716	-233
6,492		6,779	-287
10,438		9,981	457
4,900		2,073	2,827
5,804		6,258	-454
5,028		5,778	-750

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Lines i - I

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(I) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
			-48,308
			-69,251
			-5,040
			-17,609
			-3,415
			245,529
			8
			-56
			80
			983
			-233
			-287
			457
			2,827
			-454
			-750

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
SP STOWE III PO Box 707 BELMONT, NC 28012	PRESIDENT 2 00	0	0	0
JC STOWE po Box 707 BELMONT, NC 28012	VICE PRESIDENT 2 00	0	0	0
CJ DEITZ po Box 707 BELMONT, NC 28012	SENIOR VICE PRESIDENT 2 00	0	0	0
RP HALL JR po Box 707 BELMONT, NC 28012	VICE PRESIDENT 2 00	0	0	0
R WHITE po Box 707 BELMONT, NC 28012	SECRETARY 2 00	0	0	0
HD STOWE pO Box 707 BELMONT, NC 28012	TREASURER 2 00	0	0	0

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
ABBEY PLAYERSBCT 100 belmont-mt holly road BELMONT, NC 28012	none	501(c)(3)	art & science	500
arts at the abbey 100 belmont-mt holly road BELMONT, NC 28012	none	501(c)(3)	art & science	5,000
brEVARD MUSIC CENTER 349 adante lane BREVARD, NC 28712	none	501(c)(3)	art & science	2,500
chARLOTTE CIVIC ORCHESTRA po box 11334 CHARLOTTE, NC 282201334	none	501(c)(3)	art & science	4,000
commUNITY FOUNDATION OF GASTON COUNTY 1201 e garrison blvd GASTONIA, NC 28054	none	501(c)(3)	community charitable	6,500
fOUNDATION OF THE CAROLINAS - AMY RAY SCHOLARSHIP 217 s tryon street CHARLOTTE, NC 28202	none	501(c)(3)	education	350
hoLY ANGELS FOUNDATION 6600 wilkinson blvd BELMONT, NC 28012	none	501(c)(3)	community charitable	500
Opera Carolina 301 S Tryon St Suite 1550 ChARLOTTE, NC 28282	none	501(c)(3)	art & science	2,500
pieDMONT COUNCIL OF BOY SCOUTS 1222 east franklin blvd GASTONIA, NC 28053	none	501(c)(3)	community charitable	1,000
South Point High School 906 South Point Rd BelMONT, NC 28012	none	gov't entity	education	1,000
tHE CHARLOTTE SYMPHONY oratoroio singers 1300 baxter st CHARLOTTE, NC 28204	none	501(c)(3)	art & science	2,500
COVENANT PRESBYTERIAN CHURCH 1000 EAST MOREHEAD ST CHARLOTTE, NC 28204	none	CHURCH	religious	1,000
FIRST PRESBYTERIAN CHURCH 1621 EAST GARRISON BLVD GASTONIA, NC 28054	none	CHURCH	religious	1,500
Total				28,850

TY 2008 Accounting Fees Schedule

Name: ASSOCIATED FOUNDATION INCORPORATED

EIN: 56-6043197

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES	2,893	0		2,893

**TY 2008 Investments Corporate
Bonds Schedule**

Name: ASSOCIATED FOUNDATION INCORPORATED

EIN: 56-6043197

Name of Bond	End of Year Book Value	End of Year Fair Market Value
Corporate BONDS	142,139	142,139

**TY 2008 Investments Corporate
Stock Schedule**

Name: ASSOCIATED FOUNDATION INCORPORATED

EIN: 56-6043197

Name of Stock	End of Year Book Value	End of Year Fair Market Value
Corporate STOCKS	326,422	326,422

**TY 2008 Investments Government
Obligations Schedule**

Name: ASSOCIATED FOUNDATION INCORPORATED

EIN: 56-6043197

**US Government Securities - End of
Year Book Value:** 115,751

**US Government Securities - End of
Year Fair Market Value:** 115,751

**State & Local Government
Securities - End of Year Book
Value:** 0

**State & Local Government
Securities - End of Year Fair
Market Value:** 0

TY 2008 Investments - Other Schedule

Name: ASSOCIATED FOUNDATION INCORPORATED

EIN: 56-6043197

Category / Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
MUTUAL FUNDS	FMV	61,207	61,207

TY 2008 Other Increases Schedule

Name: ASSOCIATED FOUNDATION INCORPORATED

EIN: 56-6043197

Description	Amount
UNREALIZED LOSS ON INVESTMENTS AT MARKET	93,950

TY 2008 Other Liabilities Schedule**Name:** ASSOCIATED FOUNDATION INCORPORATED**EIN:** 56-6043197

Description	Beginning of Year - Book Value	End of Year - Book Value
EXCISE TAX PAYABLE	0	284

TY 2008 Other Professional Fees Schedule

Name: ASSOCIATED FOUNDATION INCORPORATED

EIN: 56-6043197

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
INVESTMENT FEES	4,850	4,850		0

TY 2008 Taxes Schedule

Name: ASSOCIATED FOUNDATION INCORPORATED

EIN: 56-6043197

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
EXCISE TAX	1,204	0		0
foreign TAXES	58	58		0

Additional Data**Software ID:** 08000094**Software Version:** 2008.05030**EIN:** 56-6043197**Name:** ASSOCIATED FOUNDATION INCORPORATED**Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Lines a - d**

(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)
JOHN HANCOCK SOVEREIGN	P	1996-12-30	2008-12-08
JOHN HANCOCK BOND FD	P	2003-11-17	2008-12-08
BANK OF AMERICA 7%	P	2002-01-24	2008-12-05
BANK OF AMERICA 6%	P	2005-03-08	2008-12-05
ROYAL BK SCOTLAND 5 75%	P	2004-01-08	2008-12-05
EXXON MOBILE	P	1997-04-14	2008-12-09
JOHNSON & JOHNSON	P	2008-12-09	2009-01-07
US TREASURY 4 25%	P	2008-12-12	2009-02-10
MERRILL LYNCH 5 77%	P	2008-12-11	2009-05-13
TEXAS INSTRUMENTS	P	2008-12-09	2009-05-19
US TREASURY 4 5%	P	2008-12-12	2009-07-10
US TREASURY 4 25%	P	2008-12-12	2009-07-10
HOUSEHOLD FINANCE 6 375%	P	2009-12-11	2009-07-14
GOLDMAN SACHS GROUP	P	2008-12-09	2009-09-10
PROCTOR & GAMBLE	P	2008-12-09	2009-09-16
MONSANTO CO	P	2009-05-15	2009-09-29