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

2009

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 2009, or tax year beginning _____, and ending _____

G Check all that apply: Initial return Initial return of a former public charity Final return
 Amended return Address change Name change

Use the IRS label Otherwise, print or type See Specific Instructions.	Name of foundation BAILEY FAMILY FOUNDATION, INC.	A Employer identification number 22-3768811
	Number and street (or P O box number if mail is not delivered to street address) Room/suite 7839 VIZCAYA WAY	B Telephone number (239) 598-4848
	City or town, state, and ZIP code NAPLES, FL 34108	C If exemption application is pending, check here <input type="checkbox"/> D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 1,448,486.	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))</small>	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue			N/A	
1 Contributions, gifts, grants, etc., received				
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments	3.	3.		
4 Dividends and interest from securities	64,691.	64,675.		
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	-85,478.			
b Gross sales price for all assets on line 6a 509,237.				
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	-20,784.	64,678.		
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	3,500.	0.		0.
c Other professional fees	8,000.	8,000.		0.
17 Interest				
18 Taxes	74.	74.		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	11,574.	8,074.		0.
25 Contributions, gifts, grants paid	252,190.			252,190.
26 Total expenses and disbursements Add lines 24 and 25	263,764.	8,074.		252,190.
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	-284,548.			
b Net investment income (if negative, enter -0-)		56,604.		
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	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	28,840.	14,366.	14,366.
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	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			
	c Investments - corporate bonds STMT 6	570,125.	935,142.	971,648.
11 Investments - land, buildings and equipment, basis ▶				
Less accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other STMT 7	1,098,082.	462,991.	462,472.	
14 Land, buildings, and equipment: basis ▶				
Less accumulated depreciation ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers)	1,697,047.	1,412,499.	1,448,486.	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
23 Total liabilities (add lines 17 through 22)	0.	0.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>			
	and complete lines 24 through 26 and lines 30 and 31			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>			
	and complete lines 27 through 31			
	27 Capital stock, trust principal, or current funds	0.	0.	
28 Paid-in or capital surplus, or land, bldg, and equipment fund	0.	0.		
29 Retained earnings, accumulated income, endowment, or other funds	1,697,047.	1,412,499.		
30 Total net assets or fund balances	1,697,047.	1,412,499.		
31 Total liabilities and net assets/fund balances	1,697,047.	1,412,499.		

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	1,697,047.
2 Enter amount from Part I, line 27a	2	-284,548.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	1,412,499.
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	1,412,499.

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 ATTACHED STATEMENT D-1	P	VARIOUS	VARIOUS
b CAPITAL GAINS DIVIDENDS			
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 507,600.		594,715.	-87,115.
b 1,637.			1,637.
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) 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	
a			-87,115.
b			1,637.
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	-85,478.
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? 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))
2008	147,589.	1,840,313.	.080198
2007	212,242.	2,128,883.	.099696
2006	143,278.	2,081,006.	.068850
2005	186,880.	2,053,517.	.091005
2004	167,717.	2,012,750.	.083327

2 Total of line 1, column (d)	2	.423076
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	.084615
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	1,380,001.
5 Multiply line 4 by line 3	5	116,769.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	566.
7 Add lines 5 and 6	7	117,335.
8 Enter qualifying distributions from Part XII, line 4	8	252,190.

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)

Table with 11 rows for excise tax calculation. Includes sub-rows 6a-6d for credits. Total tax due is 1,016.00, with 1,016.00 refunded.

Part VII-A Statements Regarding Activities

Table with 10 rows of activity questions and Yes/No columns. Includes questions about political campaigns, unrelated business income, and substantial contributors. Includes handwritten entry 'CT' for question 8a and 'STMT 8' for question 10.

Part VII-A Statements Regarding Activities (continued)

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)			X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?			X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ <u>N/A</u>	X		
14	The books are in care of ▶ <u>JAMES L. BAILEY</u> Telephone no. ▶ <u>203-801-5240</u> Located at ▶ <u>508 PONUS RIDGE ROAD, NEW CANAAN, CT</u> ZIP+4 ▶ <u>06840</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ▶ <u>15</u> <u>N/A</u>			

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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(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		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? Organizations relying on a current notice regarding disaster assistance check here <u>N/A</u> ▶ <input type="checkbox"/>	1b	
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 2009?	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 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.) <u>N/A</u>	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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2009 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 2009) <u>N/A</u>	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 2009?	4b	X

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

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

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No
- (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? Yes No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? 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)? Yes No
 Organizations relying on a current notice regarding disaster assistance check here N/A

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) N/A

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? Yes No
 If "Yes" to 6b, 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? Yes No N/A

5b		
6b		X
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
JAMES L. BAILEY 508 PONUS RIDGE ROAD NEW CANAAN, CT 06840	DIRECTOR/PRESIDENT AS REQ'D	0.	0.	0.
JUDITH A. BAILEY 508 PONUS RIDGE ROAD NEW CANAAN, CT 06840	DIRECTOR/VICE-PRESIDENT AS REQ'D	0.	0.	0.
SARA F. BAILEY 508 PONUS RIDGE ROAD NEW CANAAN, CT 06840	DIRECTOR/SECRETARY AS REQ'D	0.	0.	0.
ELIZABETH D. BAILEY 508 PONUS RIDGE ROAD NEW CANAAN, CT 06840	DIRECTOR/TREASURER AS REQ'D	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."

Table with 3 columns: (a) Name and address of each person paid more than \$50,000, (b) Type of service, (c) Compensation. Row 1 contains 'NONE'.

Total number of others receiving over \$50,000 for professional services 0

Part IX-A Summary of Direct Charitable Activities

Table with 2 columns: Description of activities, Expenses. Row 1 contains 'N/A'.

Part IX-B Summary of Program-Related Investments

Table with 2 columns: Description of investments, Amount. Row 1 contains 'N/A'.

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	1,382,590.
b	Average of monthly cash balances	1b	18,426.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	1,401,016.
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	1,401,016.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	21,015.
5	Net value of noncharitable-use assets . Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,380,001.
6	Minimum investment return . Enter 5% of line 5	6	69,000.

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	69,000.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	566.
2b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	566.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	68,434.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	68,434.
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	68,434.

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	252,190.
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	252,190.
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	566.
6	Adjusted qualifying distributions . Subtract line 5 from line 4	6	251,624.

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 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				68,434.
2 Undistributed income if any, as of the end of 2009				
a Enter amount for 2008 only			0.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2009				
a From 2004	37,467.			
b From 2005	89,244.			
c From 2006	48,072.			
d From 2007	109,676.			
e From 2008	57,375.			
f Total of lines 3a through e	341,834.			
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ \$ 252,190.				
a Applied to 2008, but not more than line 2a			0.	
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 2009 distributable amount				68,434.
e Remaining amount distributed out of corpus	183,756.			
5 Excess distributions carryover applied to 2009 (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	525,590.			
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 2008. Subtract line 4a from line 2a Taxable amount - see instr.			0.	
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				0.
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 2004 not applied on line 5 or line 7	37,467.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	488,123.			
10 Analysis of line 9:				
a Excess from 2005	89,244.			
b Excess from 2006	48,072.			
c Excess from 2007	109,676.			
d Excess from 2008	57,375.			
e Excess from 2009	183,756.			

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 2009, 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				(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
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).)

JAMES L. BAILEY

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

NONE

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

Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

- a The name, address, and telephone number of the person to whom applications should be addressed.
- b The form in which applications should be submitted and information and materials they should include:
- c Any submission deadlines:
- d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<i>a Paid during the year</i>				
SEE STATEMENT 9				
Total			▶ 3a	252,190.
<i>b Approved for future payment</i>				
NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Table with 5 main columns: (a) Business code, (b) Amount, (c) Exclusion code, (d) Amount, (e) Related or exempt function income. Rows include: 1 Program service revenue (a-f), 2 Membership dues and assessments, 3 Interest on savings and temporary cash investments (14, 3), 4 Dividends and interest from securities (14, 64,691), 5 Net rental income or (loss) from real estate (a-b), 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, -85,478), 9 Net income or (loss) from special events, 10 Gross profit or (loss) from sales of inventory, 11 Other revenue (a-e), 12 Subtotal (0, -20,784, 0), 13 Total (13, -20,784).

(See worksheet in line 13 instructions to verify calculations)

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

Table with 2 columns: 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

- 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... a Transfers from the reporting foundation to a noncharitable exempt organization of (1) Cash (2) Other assets b Other transactions... c Sharing of facilities, equipment, mailing lists, other assets, or paid employees d If the answer to any of the above is "Yes," complete the following schedule.

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions and sharing arrangements. Row 1 contains '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... Yes No

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. Row 1 contains 'N/A'.

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.

Signature section containing: Signature of officer or trustee (John Bailey), Date (5/17/10), Title, Preparer's signature (John M. Harvill), Date (5/12/10), Firm's name (CLARFELD FINANCIAL ADVISORS, INC.), address (560 WHITE PLAINS ROAD, 5TH FLOOR, TARRYTOWN, NY 10591-5112), and Phone no. (914-846-0100).

Realized Gains and Losses
Fiscal Year Ending 12/31/2009

STATEMENT D-1

Family Foundation Bailey Schwab One Acct # 27135651

Realized Gains and Losses

Description	Date Acquired	Date Sold	Quantity	Net Proceeds	Cost	Short Term Gains	Total Long Gains	Total Gains
DFA Large Cap Intl Port	11/10/2006	03/16/2009	1,673,640	19,975	38,950	(18,975)	(18,975)	(18,975)
DFA US Large Co Port	09/06/2001	03/16/2009	2,252,252	49,970	73,351	(23,381)	(23,381)	(23,381)
DFA US Large Co Port	09/06/2001	04/15/2009	261,548	6,566	8,518	(1,952)	(1,952)	(1,952)
DFA US Large Co Port	09/10/2001	04/15/2009	19,544	491	626	(136)	(136)	(136)
DFA US Large Co Port	12/17/2001	04/15/2009	27,809	698	924	(226)	(226)	(226)
DFA US Large Co Port	03/08/2002	04/15/2009	12,145	305	415	(110)	(110)	(110)
DFA US Large Co Port	06/10/2002	04/15/2009	20,101	505	608	(103)	(103)	(103)
DFA US Large Co Port	09/10/2002	04/15/2009	23,558	591	628	(37)	(37)	(37)
DFA US Large Co Port	11/29/2002	04/15/2009	829,087	20,814	22,857	(2,043)	(2,043)	(2,043)
			1,193,792	29,970	34,576	(4,606)	(4,606)	(4,606)
PIMCo Total Return Fd Inst	09/05/2001	04/15/2009	2,932,551	29,970	31,265	(1,295)	(1,295)	(1,295)
Columbia Marsico 21st	11/10/2006	06/16/2009	2,711,497	25,000	37,608	(12,608)	(12,608)	(12,608)
DFA Real Estate Securities	09/10/2001	06/16/2009	208,719	2,509	3,100	(591)	(591)	(591)
DFA Real Estate Securities	12/17/2001	06/16/2009	7,032	85	101	(16)	(16)	(16)
DFA Real Estate Securities	12/17/2001	06/16/2009	199,474	2,398	2,864	(467)	(467)	(467)
DFA Real Estate Securities	12/16/2002	06/16/2009	0,251	3	4	(1)	(1)	(1)
DFA Real Estate Securities	12/16/2002	06/16/2009	2,010	24	29	(4)	(4)	(4)
DFA Real Estate Securities	12/16/2002	06/16/2009	207,013	2,489	2,944	(455)	(455)	(455)
DFA Real Estate Securities	12/22/2003	06/16/2009	1,233	15	23	(8)	(8)	(8)
DFA Real Estate Securities	12/22/2003	06/16/2009	6,783	82	125	(43)	(43)	(43)
DFA Real Estate Securities	12/22/2003	06/16/2009	172,028	2,068	3,165	(1,097)	(1,097)	(1,097)
DFA Real Estate Securities	06/08/2004	06/16/2009	25,333	305	480	(175)	(175)	(175)
			829,876	9,976	12,834	(2,858)	(2,858)	(2,858)
iShares Tr Russell 2000	11/27/2002	06/16/2009	390,000	20,103	15,855	4,247	4,247	4,247
PIMCo Comm Real Ret Cl. I	12/16/2005	06/16/2009	1,537,106	11,386	26,141	(14,755)	(14,755)	(14,755)
PIMCo Comm Real Ret Cl. I	12/29/2005	06/16/2009	398,523	2,952	5,874	(2,922)	(2,922)	(2,922)
PIMCo Comm Real Ret Cl. I	06/22/2006	06/16/2009	17,037	126	240	(113)	(113)	(113)
PIMCo Comm Real Ret Cl. I	09/21/2006	06/16/2009	12,600	93	173	(80)	(80)	(80)
PIMCo Comm Real Ret Cl. I	12/27/2006	06/16/2009	56,297	417	783	(366)	(366)	(366)
			2,021,563	14,975	33,211	(18,236)	(18,236)	(18,236)

Realized Gains and Losses
Fiscal Year Ending 12/31/2009

STATEMENT D-1

Family Foundation Bailey Schwab One Acct # 27135651

Realized Gains and Losses

Description	Date Acquired	Date Sold	Quantity	Net Proceeds	Cost	Short Term Gains	Total Long Gains	Total Gains
PIMCo Total Return Fd Inst	09/05/2001	06/16/2009	5,752,637	59,970	61,331		(1,361)	(1,361)
Powershares Div Achievers	11/19/2008	06/16/2009	600,000	6,455	6,451	4		4
Powershares Div Achievers	11/19/2008	06/16/2009	1,900,000	20,441	20,427	14		14
			2,500,000	26,896	26,878	18		18
Powershares Div Achievers	11/19/2008	06/16/2009	2,429,000	26,132	26,115	17		17
Powershares Div Achievers	11/19/2008	06/16/2009	1,000,000	10,758	10,751	7		7
Powershares Div Achievers	11/19/2008	06/16/2009	427,000	4,594	4,591	3		3
Powershares Div Achievers	11/19/2008	06/16/2009	300,000	3,228	3,225	2		2
Powershares Div Achievers	11/19/2008	06/16/2009	244,000	2,625	2,623	2		2
Powershares Div Achievers	01/02/2009	06/16/2009	50,138	539	576	(37)		(37)
Powershares Div Achievers	04/01/2009	06/16/2009	5,863	63	56	7		7
			300,000	3,228	3,255	(28)		(28)
Powershares Div Achievers	04/01/2009	06/16/2009	0,679	7	6	1		1
Loomis Sayles Bond Fund	11/10/2006	07/14/2009	4,495,335	52,970	65,034		(12,064)	(12,064)
Columbia Marsico 21st	11/10/2006	11/10/2009	2,708,759	31,611	37,570		(5,959)	(5,959)
Columbia Marsico 21st	12/13/2006	11/10/2009	59,348	693	846		(153)	(153)
Columbia Marsico 21st	06/20/2007	11/10/2009	33,883	395	535		(140)	(140)
Columbia Marsico 21st	06/20/2007	11/10/2009	59,433	694	938		(245)	(245)
Columbia Marsico 21st	12/12/2007	11/10/2009	23,676	276	403		(126)	(126)
Columbia Marsico 21st	12/12/2007	11/10/2009	113,272	1,322	1,927		(605)	(605)
Columbia Marsico 21st	06/17/2009	11/10/2009	0,163	2	2	0		0
			2,998,534	34,993	42,221	0	(7,228)	(7,228)
DFA US Large Co Port	11/29/2002	11/10/2009	773,994	24,975	21,338		3,637	3,637
Harding Loevner Emrg Mkt	11/10/2006	11/10/2009	269,976	11,350	11,334		16	16
Harding Loevner Emrg Mkt	12/14/2006	11/10/2009	0,257	11	11		0	0
Harding Loevner Emrg Mkt	12/13/2007	11/10/2009	0,001	0	0		0	0
Harding Loevner Emrg Mkt	12/13/2007	11/10/2009	0,001	0	0		0	0
Harding Loevner Emrg Mkt	12/13/2007	11/10/2009	0,980	41	56		(15)	(15)
Harding Loevner Emrg Mkt	12/13/2007	11/10/2009	3,674	154	212		(57)	(57)
Harding Loevner Emrg Mkt	12/13/2007	11/10/2009	23,449	986	1,352		(366)	(366)

Realized Gains and Losses
Fiscal Year Ending 12/31/2009

STATEMENT D-1

Family Foundation Bailey Schwab One Acct # 27135651

Realized Gains and Losses

Description	Date Acquired	Date Sold	Quantity	Net Proceeds	Cost	Short Term Gains	Total Long Gains	Total Gains
Harding Loevner Emrg Mkt	12/17/2008	11/10/2009	11 466	482	307	175	(423)	175
			309,804	13,024	13,272	175	(423)	(248)
iShares Tr Russell 2000	11/27/2002	11/10/2009	288,000	16,934	11,563		5371	5371
DFA US Large Co Port	11/29/2002	11/19/2009	308,928	9,976	8,517		1,459	1,459
Loomis Sayles Bond Fund	11/10/2006	11/19/2009	755,287	9,976	10,927		(951)	(951)
Royce Total Return Fund	09/07/2001	11/19/2009	961 538	10,000	8,038		1,962	1,962
Short Term Gains				75,327	75,130	196		
Total Long Gains				432,273	519,584		(87311)	
Total (Sales)				507,600	594,714	196	(87311)	(87115)

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

SOURCE	AMOUNT
SCHWAB INSTITUTIONAL	3.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	3.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
SCHWAB INSTITUTIONAL	66,312.	1,637.	64,675.
SCHWAB INSTITUTIONAL	16.	0.	16.
TOTAL TO FM 990-PF, PART I, LN 4	66,328.	1,637.	64,691.

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	3,500.	0.		0.
TO FORM 990-PF, PG 1, LN 16B	3,500.	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
INVESTMENT ADVISORY FEES	8,000.	8,000.		0.
TO FORM 990-PF, PG 1, LN 16C	8,000.	8,000.		0.

FORM 990-PF	TAXES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FOREIGN TAXES	74.	74.			0.
TO FORM 990-PF, PG 1, LN 18	74.	74.			0.

FORM 990-PF	CORPORATE BONDS		STATEMENT	6
DESCRIPTION		BOOK VALUE	FAIR MARKET VALUE	
SEE STATEMENT 11		935,142.	971,648.	
TOTAL TO FORM 990-PF, PART II, LINE 10C		935,142.	971,648.	

FORM 990-PF	OTHER INVESTMENTS		STATEMENT	7
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE	
SEE STATEMENT 10	COST	462,991.	462,472.	
TOTAL TO FORM 990-PF, PART II, LINE 13		462,991.	462,472.	

FORM 990-PF LIST OF SUBSTANTIAL CONTRIBUTORS STATEMENT 8
 PART VII-A, LINE 10

NAME OF CONTRIBUTOR	ADDRESS
JAMES L. BAILEY	508 PONUS RIDGE ROAD NEW CANAAN, CT 06840

FORM 990-PF GRANTS AND CONTRIBUTIONS STATEMENT 9
 PAID DURING THE YEAR

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
BGSU FOUNDATION BOWLING GREEN, OH 43403	NONE EDUCATIONAL PURPOSES	PUBLIC	115,590.
NEW COVENANT HOUSE 90 FAIRFIELD AVENUE STAMFORD, CT 06904	NONE SOCIAL PURPOSES	PUBLIC	500.
ST. THOMAS MORE OUTREACH 374 MIDDLESEX ROAD DARIEN, CT 06820	NONE RELIGIOUS PURPOSES	PUBLIC	100.
VISITING NURSE SERVICE 107 EAST 70TH STREET NEW YORK, NY 10021	NONE HEALTH PURPOSES	PUBLIC	5,000.
IMMOKALEE FOUNDATION 1390 NORTH 15TH STREET IMMOKALEE, FL 34142	NONE SOCIAL PURPOSES	PUBLIC	30,000.
NORWALK HOSPITAL FOUNDATION 34 MAPLE STREET NORWALK, CT 06856	NONE HEALTH PURPOSES	PUBLIC	1,000.

BAILEY FAMILY FOUNDATION, INC.

22-3768811

DIOCESE OF BRIDGEPORT 238 JEWETT AVENUE BRIDGEPORT, CT 06606	NONE RELIGIOUS PURPOSES	PUBLIC	40,000.
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CATHOLIC EDUCATION CLUSTER INITIATIVE BRIDGEPORT, CT 06604	NONE RELIGIOUS PURPOSES	PUBLIC	60,000.
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TOTAL TO FORM 990-PF, PART XV, LINE 3A

252,190.

# Shs	Description	Book Value	Fair Market Value
895.632	DFA Real Estate Securities Portfolio	21,421	15,432
3,932.542	DFA U.S. Small Cap Port	62,596	64,808
2,741.795	DFA U.S. Large Co Port	92,120	90,013
7,068.977	Pimco Commodity Real Return Strategy Fd Instl	79,924	58,531
2,806.298	Royce Total Return Fund	28,807	30,336
725.357	Vanguard Energy Fund	34,418	43,594
3,419.849	DFA Large Cap Intl Port	62,035	64,122
5,298.130	Cullen High Dividend	50,972	58,915
569.291	DFA Emerging Markets	10,038	10,378
4,255.552	Gold Sachs Tr Comm Str Fd	20,660	26,342
		<u>462,991</u>	<u>462,472</u>

# Shs	Description	Book Value	Fair Market Value
40,302.873	Pimco Total Return Fund	426,688	435,271
2,605.360	GS Local Emerg Debt	21,582	23,266
10,338.542	Loomis Sayles Bond Fund	133,205	137,916
6,875.974	Loomis Sayles Global Bond	106,417	109,878
9,672.812	TCW Inc Tot Ret Bd Fd	91,707	95,858
11,314.128	Pimco Real Return Bond Fund Inst	109,058	122,079
4733.252	Pimco Foreign Bond Unhd I	46,485	47,380
		<u>935,142</u>	<u>971,648</u>