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Form **990-PF**Department of the Treasury
Internal Revenue Service (77)**Return of Private Foundation**
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

OMB No 1545-0052

2009

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 THE ATLANTIC FOUNDATION		A Employer identification number 22-6054882
	Number and street (or P O box number if mail is not delivered to street address)	Room/suite	B Telephone number (see page 10 of the instructions) (609) 689-1040
	14 FAIRGROUNDS ROAD		
	City or town, state, and ZIP code HAMILTON NJ 08619		
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			C If exemption application is pending, check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 61,020,985			D 1. Foreign organizations, check here <input type="checkbox"/>
J Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis)			2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
			E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
			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 (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue				
1 Contributions, gifts, grants, etc., received (attach schedule)				
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
3 Interest on savings and temporary cash investments	0	0		
4 Dividends and interest from securities	735,584	735,584		
5 a Gross rents	68,054	68,054		
b Net rental income or (loss)	0			
6 a Net gain or (loss) from sale of assets not on line 10	486,075			
b Gross sales price for all assets on line 6a	4,392,795			
7 Capital gain net income (from Part IV, line 2)		486,075		
8 Net short-term capital gain			0	
9 Income modifications				
10 a Gross sales less returns and allowances	0			
b Less Cost of goods sold	0			
c Gross profit or (loss) (attach schedule)	0			
11 Other income (attach schedule)	42,859	42,859	0	
12 Total. Add lines 1 through 11	1,332,572	1,332,572	0	
Operating and Administrative Expenses				
13 Compensation of officers, directors, trustees, etc	91,504	45,752		45,752
14 Other employee salaries and wages	446,192	178,477		267,715
15 Pension plans, employee benefits	168,974	67,590		101,384
16 a Legal fees (attach schedule)	907,401	62,725	0	844,676
b Accounting fees (attach schedule)	51,000	30,600	0	20,400
c Other professional fees (attach schedule)	110,317	63,375	0	46,942
17 Interest	85,113	42,413		42,700
18 Taxes (attach schedule) (see page 14 of the instructions)	2,723	2,723	0	0
19 Depreciation (attach schedule) and depletion	697,338	321,443	0	
20 Occupancy	383,628	153,451		230,176
21 Travel, conferences, and meetings	11,305	4,522		6,783
22 Printing and publications				
23 Other expenses (attach schedule)	279,277	49,140	0	230,137
24 Total operating and administrative expenses. Add lines 13 through 23	3,234,772	1,022,211	0	1,836,665
25 Contributions, gifts, grants paid	81,865			81,865
26 Total expenses and disbursements. Add lines 24 and 25	3,316,637	1,022,211	0	1,918,530
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	-1,984,065			
b Net investment income (if negative, enter -0-)		310,361		
c Adjusted net income (if negative, enter -0-)			0	

For Privacy Act and Paperwork Reduction Act Notice, see page 30 of the instructions.

(HTA)

Form **990-PF** (2009)

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Part II Balance Sheets		Beginning of year (a) Book Value	End of year	
			(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing	1,000		
	2 Savings and temporary cash investments	1,651,528	616,259	616,259
	3 Accounts receivable ▶ 159,054			
	Less allowance for doubtful accounts ▶ 0	227,105	159,054	159,054
	4 Pledges receivable ▶ 0			
	Less allowance for doubtful accounts ▶ 0	0	0	0
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)	0	0	0
	7 Other notes and loans receivable (attach schedule) ▶ 2,825,000			
	Less allowance for doubtful accounts ▶ 2,250,000	575,000	575,000	575,000
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10 a Investments—U S and state government obligations (attach schedule)	0	0	0
	b Investments—corporate stock (attach schedule)	24,759,933	34,080,105	34,080,105
	c Investments—corporate bonds (attach schedule)	5,373,031	3,856,536	3,856,536
Liabilities	11 Investments—land, buildings, and equipment basis ▶ 7,634,776			
	Less accumulated depreciation (attach schedule) ▶ 2,460,086	5,491,605	5,174,690	6,708,793
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)	0	0	0
	14 Land, buildings, and equipment basis ▶ 15,394,596			
	Less accumulated depreciation (attach schedule) ▶ 2,795,127	12,970,831	12,599,469	14,408,092
	15 Other assets (describe ▶ See Attached Statement)	573,408	617,146	617,146
	16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	51,623,441	57,678,259	61,020,985
	17 Accounts payable and accrued expenses	288,039	377,865	
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons	0	0	
	21 Mortgages and other notes payable (attach schedule)	27,675,000	26,770,000	
	22 Other liabilities (describe ▶ See Attached Statement)	34,320	927	
	23 Total liabilities (add lines 17 through 22)	27,997,359	27,148,792	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ <input checked="" type="checkbox"/>			
	24 Unrestricted	23,826,082	30,529,467	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input type="checkbox"/>			
	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 page 17 of the instructions)	23,826,082	30,529,467	
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	51,823,441	57,678,259	

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	23,826,082
2 Enter amount from Part I, line 27a	2	-1,984,065
3 Other increases not included in line 2 (itemize) ▶ UNREALIZED APPRECIATION ON INVESTMENTS	3	8,687,450
4 Add lines 1, 2, and 3	4	30,529,467
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	30,529,467

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				
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 0	0	0	0	
b 0	0	0	0	
c 0	0	0	0	
d 0	0	0	0	
e 0	0	0	0	
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				
(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	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
a 0	0	0	0	
b 0	0	0	0	
c 0	0	0	0	
d 0	0	0	0	
e 0	0	0	0	
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	486,075
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8.			3	0

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2008	3,690,501	48,494,372	0.076102
2007	2,603,586	59,508,622	0.043751
2006	2,606,239	44,020,829	0.059205
2005	2,356,999	39,831,783	0.059174
2004	1,892,855	43,345,055	0.043669
2 Total of line 1, column (d)			2 0.281901
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 0.056380
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5			4 29,785,340
5 Multiply line 4 by line 3			5 1,679,297
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 3,104
7 Add lines 5 and 6			7 1,682,401
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.			8 1,923,061

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1			
Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	3,104
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	3,104
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	3,104
6 Credits/Payments			
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a	66,958	
b Exempt foreign organizations—tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c	0	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	66,958	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	0	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	0	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	63,854	
11 Enter the amount of line 10 to be Credited to 2010 estimated tax <input type="checkbox"/> 20,000 Refunded <input type="checkbox"/>	11	43,854	

Part VII-A Statements Regarding Activities

	Yes	No
1 a 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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? 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		X
c Did the foundation file Form 1120-POL for this year?		
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
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		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		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		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?	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	X	
8 a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <input type="checkbox"/> NJ		
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	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 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

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 page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ☐ _____

14 The books are in care of ☐ THE ATLANTIC FOUNDATION Telephone no ☐ (609) 689-1040
 Located at ☐ 14 FAIRGROUNDS ROAD HAMILTON NJ US ZIP+4 ☐ 08619

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here ☐
 and enter the amount of tax-exempt interest received or accrued during the year ☐ 15

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

		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 checked="" type="checkbox"/> Yes <input 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 <input type="checkbox"/>	1b	X
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 <input type="checkbox"/> 20 _____, 20 _____, 20 _____, 20 _____		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 20 of the instructions)	2b	N/A
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <input type="checkbox"/> 20 _____, 20 _____, 20 _____, 20 _____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <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)	3b	N/A
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 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)? (see page 22 of the instructions) ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? ☐ **5b** N/A

Organizations relying on a current notice regarding disaster assistance check here ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945–5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No **6b** X

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 **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 page 22 of the instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See Attached Statement		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Michael Unger 14 Fairgrounds Rd, Hamilton, NJ 08619	CAO 40 00	112,331	0	0
Craig Ingwer 14 Fairgrounds Rd, Hamilton, NJ 08619	Controller 40 00	98,336	0	0
Janet Appleton 14 Fairgrounds Rd, Hamilton, NJ 08619	Executive Secretary 40.00	62,484	0	0
Carmella Arnold 14 Fairgrounds Rd, Hamilton, NJ 08619	Accountant 40.00	53,778	0	0
Suzanne Brunnengraber 14 Fairgrounds Rd, Hamilton, NJ 08619	Benefits Administrator 40.00	50,377	0	0
Total number of other employees paid over \$50,000				5

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
Pelletieri, Rabstein & Altman 100 Nassau Park Blvd., Suite 111, Princeton, NJ 08543	Legal	656,499
Matthews & Co 270 Madison Ave, 16th Floor, New York, NY 10016	Accounting and Consulting	125,000
Laura N. Solomon, P.C. 300 E Lancaster Ave, Suite 106A, Wynnewood, PA 19096	Legal	194,036
	Legal	0
		0
Total number of others receiving over \$50,000 for professional services		3

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 Support of Grounds For Sculpture relating the operations of a sculpture park open to the public. Activities include public tours, membership and admission programs, various sculpture related events, children's programs, artists' lectures and viewing of artwork.	779,635
2 Support of the Sculpture Foundation, a nonprofit organization formed for the purpose of enhancing public awareness pertaining to the appreciation of sculpture through the production of several exhibitions throughout the world and the acquisition of sculpture to display and educate the general public in the arts.	288,214
3	
4	

Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments. See page 24 of the instructions.	
3	0
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	22,052,487
b	Average of monthly cash balances	1b	820,660
c	Fair market value of all other assets (see page 24 of the instructions)	1c	7,365,777
d	Total (add lines 1a, b, and c)	1d	30,238,924
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	30,238,924
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	453,584
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	29,785,340
6	Minimum investment return. Enter 5% of line 5	6	1,489,267

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	1,489,267
2a	Tax on investment income for 2009 from Part VI, line 5	2a	3,104
b	Income tax for 2009 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	3,104
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,486,163
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	1,486,163
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	1,486,163

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	1,918,530
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	4,531
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	0
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,923,061
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	3,104
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,919,957

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 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				1,486,163
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			0	
b Total for prior years 20____, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2009				
a From 2004	0			
b From 2005	367,021			
c From 2006	427,721			
d From 2007	0			
e From 2008	1,281,538			
f Total of lines 3a through e	2,076,280			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 1,923,061				
a Applied to 2008, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)	0			
d Applied to 2009 distributable amount				1,486,163
e Remaining amount distributed out of corpus	436,898			
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	2,513,178			
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				
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions		0		
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions			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) (see page 27 of the instructions)				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)	0			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	2,513,178			
10 Analysis of line 9				
a Excess from 2005	367,021			
b Excess from 2006	427,721			
c Excess from 2007	0			
d Excess from 2008	1,281,538			
e Excess from 2009	436,898			

Part XIV Private Operating Foundations (see page 27 of the 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)

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

Tax year	Prior 3 years			(e) Total
(a) 2009	(b) 2008	(c) 2007	(d) 2006	
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
				0
0	0	0	0	0
				0
0	0	0	0	0
				0
				0
				0
				0

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 of the instructions.)**1 Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))

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 foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number of the person to whom applications should be addressed

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)				
a <i>Paid during the year</i>				
Grounds For Sculpture		Public Charity	Operating Support	11,865
14 Fairgrounds Rd Hamilton NJ 08619				
Kharme Choling		Public Charity	Operating Support and S	30,000
369 Patneau Lane Barnet VT 05821				
The Nation Institute		Public Charity	Operating Support	15,000
116 East 16th Street, 8th Floor New York NY 10003				
The Willow School		Public Charity	Capital Campaign	25,000
1150 Pottersville Road Gladstone NJ 07934				
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
				0
Total			3a	81,865
b <i>Approved for future payment</i>				
				0
				0
				0
				0
				0
				0
				0
				0
				0
Total			3b	0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1	Program service revenue					
a			0		0	0
b			0		0	0
c			0		0	0
d			0		0	0
e			0		0	0
f			0		0	0
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	735,584	
5	Net rental income or (loss) from real estate					
a	Debt-financed property					
b	Not debt-financed property			16		
6	Net rental income or (loss) from personal property					
7	Other investment income					
8	Gain or (loss) from sales of assets other than inventory				0	
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue a		0		0	0
b			0		0	0
c			0		0	0
d			0		0	0
e			0		0	0
12	Subtotal Add columns (b), (d), and (e)		0		735,584	0
13	Total. Add line 12, columns (b), (d), and (e)					

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

13 735,584

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

[illegible]

Line 6 (990-PF) - Gain/Loss from Sale of Assets Other Than Inventory

Amount										Totals				Net Gain or Loss			
Long Term CG Distributions										22,512		Gross Sales		Cost, Other Basis and Expenses		486,075	
Short Term CG Distributions												0		3,906,720		0	
Index	Check Box if Gain/Loss is From Sale of Security	Description	CUSIP #	Purchaser	Check Box if Purchaser is a Business	Date Acquired	Acquisition Method	Date Sold	Gross Sales Price	Cost or Other Basis (Enter one field only)		Expense of Sale and Cost of Improvements	Depreciation				
										Cost	Donated Value						
1	X	44,198,895 SH VANGUARD LT				VARIOUS	P	10/29/2009	400,000		323,094						
2	X	65,872,020 SH VANGUARD LT				VARIOUS	P	5/21/2009	525,000		605,364						
3	X	19,497,270 SH PRIMECAP FD				VARIOUS	P	6/12/2009	1,000,015		1,049,343						
4	X	10,750 SH DRYSHIPS				VARIOUS	P	7/20/2009	70,833		49,880						
5	X	14,000 SH PROSHARES ULTR				VARIOUS	P	7/20/2009	242,886		187,320						
6	X	14,000 SH PROSHARES ULTR				VARIOUS	P	7/23/2009	272,134		187,320						
7	X	9,400 SH PROSHARES ULTR				VARIOUS	P	9/18/2009	270,168		125,772						
8	X	6,250 SH PROSHARES ULTR				VARIOUS	P	9/25/2009	187,480		83,563						
9	X	6,250 SH PROSHARES ULTR				VARIOUS	P	10/6/2009	171,088		83,563						
10	X	6,250 SH PROSHARES ULTR				VARIOUS	P	10/8/2009	180,679		83,542						
11	X	51,334,702 SH VANGUARD ST				VARIOUS	P	4/9/2009	500,000		541,068						
12	X	35,860,656 SH VANGUARD ST				VARIOUS	P	4/9/2009	350,000		377,971						
13	X	19,821,606 SH VANGUARD ST				VARIOUS	P	5/21/2009	200,000		208,920						

Line 11 (990-PF) - Other Income

		42,859	42,859	0
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
1	Equipment Lease	30,000	30,000	
2	Excise Tax reimbursement	12,859	12,859	
3			0	
4			0	
5			0	
6			0	
7			0	
8			0	
9			0	
10			0	

Line 16a (990-PF) - Legal Fees

		907,401	62,725	0	844,676
	Name of Organization or Person Providing Service	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	Laura N Solomon, P.C.	194,036	48,509		145,527
2	Patterson, Belknap, Webb & Tyler	43,323	10,831		32,492
3	Pelletieri, Rabstein & Altman	656,499			656,499
4	Lowenstein Sandler PC	3,385	846		2,539
5	DeCotis, Fitzpatrick, Cole & Wisler, LLP	10,158	2,539		7,619
6					
7					
8					
9					
10					

Line 16b (990-PF) - Accounting Fees

		51,000	30,600	0	20,400
	Name of Organization or Person Providing Service	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	Matthews & Co	51,000	30,600		20,400
2					
3					
4					
5					
6					
7					
8					
9					
10					

Line 16c (990-PF) - Other Fees

		110,317	63,375	0	46,942
	Name of Organization or Person Providing Service	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	Delaware Valley Payroll	1,736	694		1,042
2	Matthews & Co	74,000	29,600		44,400
3	Martin Appraisal Associates	1,500			1,500
4	Investment Fees	33,081	33,081		
5					
6					
7					
8					
9					
10					

Line 18 (990-PF) - Taxes

		2,723	2,723	0	0
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	Real estate tax not included in line 20				
2	Tax on investment income	2,723	2,723		
3	Income tax				
4					
5					
6					
7					
8					
9					
10					

Amount of depreciation included in cost of goods sold _____

Line 19 (990-PF) - Depreciation and Depletion

	Description	Date Acquired	Method of Computation	Asset Life	Cost or Other Basis	Beginning Accumulated Depreciation	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
1	See Attached Schedule						697,338	321,443	0
2						0			
3						0			
4						0			
5						0			
6						0			
7						0			
8						0			
9						0			
10						0			

Line 23 (990-PF) - Other Expenses

		279,277	49,140	0	230,137
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	Amortization. See attached statement	0	0	0	0
2	Fund Raising				
3	EDUCATION AND SEMINARS	817	409		408
4	OFFICE EXPENSE	21,217	10,609		10,608
5	BOND CARRYING COSTS	28,664			28,664
6	DIRECTOR FEES	2,000	1,000		1,000
7	AUTO EXPENSE	3,021	1,511		1,510
8	COMPUTER NETWORK	57,462	28,731		28,731
9	BOOKS, DUES & SUBSCRIPTIONS	8,651	4,326		4,325
10	BOND FEES	152,338			152,338
11	D & O INSURANCE	5,107	2,554		2,553
12					
13					
14					
15					
16					

Part II, Line 7 (990-PF) - Other Notes

Borrower's Name		Check "X" if Business	Check if 501(c)(3) Org	Original Amount	Net Balance Due Beginning of Year	Balance Due End of Year	Allowance for Doubtful Accts End of Year	FMV of Other Notes	Security Provided
1	GFSL, Inc	X		1,106,135	575,000	575,000		575,000	All Assets
2	Sculpture Foundation, Inc.	X	X	1,900,000	0	1,700,000	1,700,000		All Assets
3	Eyebeam Atelier	X	X	550,000	0	550,000	550,000		Unsecured
4					0				
5					0				
6					0				
7					0				
8					0				
9					0				
10					0				

[illegible]

Part II, Line 10b (990-PF) - Investments - Corporate Stock

			24,759,933	34,080,105	24,759,933	34,080,105
	Description	Num. Shares/ Face Value	Book Value Beg. of Year	Book Value End of Year	FMV Beg. of Year	FMV End of Year
1	ZONE VENTURES FUND II		349,339	303,959	349,339	303,959
2	VANGUARD S&P 500 INDEX		557,416	701,079	557,416	701,079
3	VANGUARD EXPLORER FUND		244,755	332,962	244,755	332,962
4	VANGUARD INTERNATIONAL GROWTH		2,380,987	3,317,055	2,380,987	3,317,055
5	VANGUARD INTERNATIONAL VALUE		3,249,447	4,245,223	3,249,447	4,245,223
6	VANGUARD MID CAP ADMIRAL		1,202,976	1,670,248	1,202,976	1,670,248
7	VANGUARD PRIME CAP ADMIRAL		10,676,607	14,308,255	10,676,607	14,308,255
8	VANGUARD SMALL CAP ADMIRAL		1,378,052	1,858,747	1,378,052	1,858,747
9	VANGUARD WINDSOR II ADMIRAL		4,720,354	1,805,480	4,720,354	1,805,480
10	VANGUARD WINDSOR FUND			4,386,873		4,386,873
11	DRYSHIPS, INC.			62,943		62,943
12	S & P HOMEBUILDERS ETF			282,557		282,557
13	SEMICONDUCTORS HOLDERS ETF			424,384		424,384
14	XINHUA TRUST ETF			380,340		380,340
15						
16						
17						

Part II, Line 10c (990-PF) - Investments - Corporate Bonds

				5,373,031	3,856,536	5,373,031	3,856,536
	Description	Interest Rate	Maturity Date	Book Value Beg of Year	Book Value End of Year	FMV Beg of Year	FMV End of Year
1	VANGUARD LONG TERM BOND			2,222,983	1,417,519	2,222,983	1,417,519
2	VANGUARD SHORT TERM BOND			3,150,048	2,439,017	3,150,048	2,439,017
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							

Part II, Line 11 (990-PF) - Investments - Land, Buildings, and Equipment

		7,634,776	2,460,086	5,491,605	5,174,690	6,708,793
	Item or Category	Cost or Other Basis	Accumulated Depreciation	Book Value Beg. of Year	Book Value End of Year	FMV End of Year
1	See Attached Schedule	7,634,776	2,460,086	5,491,605	5,174,690	6,708,793
2				0	0	
3				0	0	
4				0	0	
5				0	0	
6				0	0	
7				0	0	
8				0	0	
9				0	0	
10				0	0	
11				0	0	
12				0	0	
13				0	0	
14				0	0	
15				0	0	
16				0	0	
17				0	0	

Part II, Line 14 (990-PF) - Land, Buildings, and Equipment

		15,394,596	2,419,233	2,795,127	12,970,831	12,599,469	14,408,092
	Item or Category	Cost or Other Basis	Accumulated Depreciation Beg of Year	Accumulated Depreciation End of Year	Book Value Beg of Year	Book Value End of Year	FMV End of Year
1	See Attached Schedule	15,394,596	2,419,233	2,795,127	12,970,831	12,599,469	14,408,092
2					0	0	
3					0	0	
4					0	0	
5					0	0	
6					0	0	
7					0	0	
8					0	0	
9					0	0	
10					0	0	
11					0	0	
12					0	0	
13					0	0	
14					0	0	
15					0	0	
16					0	0	
17					0	0	

Part II, Line 15 (990-PF) - Other Assets

		573,408	617,146	617,146
	Description	Beginning Balance	Ending Balance	Fair Market Value
1	BOND ISSUANCE COSTS	573,241	544,577	544,577
2	PREPAID EXP	167	8,481	8,481
3	PREPAID EXCISE TAXES		64,088	64,088
4				
5				
6				
7				
8				
9				
10				

Part II, Line 21 (990-PF) - Mortgages and Other Notes Payable

			27,675,000	27,675,000	26,770,000		
	Name of Lender	Title	Check "X" if Business	Original Amount	Balance Due Beg of Year	Balance Due End of Year	Security Provided
1							Date of Note
2	Mercer County Improvement A			21,545,000	21,545,000	Collateral	9/30/2008
3	Bank Of America			6,130,000	6,130,000	Collateral	9/30/2008
4							
5							
6							
7							
8							
9							
10							

[illegible]

Part II, Line 22 (990-PF) - Other Liabilities

		34,320	927
	Description	Beginning Balance	Ending Balance
1	Payroll Liabilities	9,064	927
2	Security Deposits	17,120	
3	Excise Tax Payable	8,136	
4			
5			
6			
7			
8			
9			
10			

Part IV (990-PF) - Capital Gains and Losses for Tax on Investment Income

		Amount		Totals											
		Long Term CG Distributions	Short Term CG Distributions												
		22,512	0												
	Kind(s) of Property Sold	CUSIP #	How Acquired	Date Acquired	Date Sold	Gross Sales Price	Depreciation Allowed	Cost or Other Basis Plus Expense of Sale	Gain or Loss	F M V as of 12/31/69	Adjusted Basis as of 12/31/69	Excess of FMV Over Adj Basis	Gains Minus Excess of FMV Over Adjusted Basis or Losses		
1	44,198 895 SH VANGUARD LT BOND FD		P	VARIOUS	10/29/2009	400,000	0	323,094	76,906			0	76,906	463,563	563
2	65,872 020 SH VANGUARD LT BOND FD		P	VARIOUS	5/21/2009	525,000	0	605,364	-80,364			0	-80,364		364
3	19,497 270 SH PRIMECAP FD		P	VARIOUS	6/12/2009	1,000,015	0	1,049,343	-49,328			0	-49,328		328
4	10,750 SH DRYSHIPS		P	VARIOUS	7/20/2009	70,833	0	49,880	20,953			0	20,953		953
5	14,000 SH PROSHARES ULTRA ETF		P	VARIOUS	7/20/2009	242,866	0	187,320	55,566			0	55,566		566
6	14,000 SH PROSHARES ULTRA ETF		P	VARIOUS	7/23/2009	272,134	0	187,320	84,814			0	84,814		814
7	9,400 SH PROSHARES ULTRA ETF		P	VARIOUS	9/18/2009	270,168	0	125,772	144,396			0	144,396		396
8	6,250 SH PROSHARES ULTRA ETF		P	VARIOUS	9/25/2009	187,480	0	83,563	103,917			0	103,917		917
9	6,250 SH PROSHARES ULTRA ETF		P	VARIOUS	10/6/2009	171,088	0	83,563	87,525			0	87,525		525
10	6,250 SH PROSHARES ULTRA ETF		P	VARIOUS	10/8/2009	180,679	0	83,542	97,137			0	97,137		137
11	51,334 702 SH VANGUARD ST BOND FD		P	VARIOUS	4/9/2009	500,000	0	541,068	-41,068			0	-41,068		068
12	35,860 656 SH VANGUARD ST BOND FD		P	VARIOUS	4/9/2009	350,000	0	377,971	-27,971			0	-27,971		971
13	19,821 606 SH VANGUARD ST BOND FD		P	VARIOUS	5/21/2009	200,000	0	208,920	-8,920			0	-8,920		920

Part VIII, Line 1 (990-PF) - Compensation of Officers, Directors, Trustees and Foundation Managers

[illegible]

Fixed Assets Reconciliation

	Cost or Other Basis	Depreciation Expense	Accumulated Depreciation
Part II Line 11 Investments- Land, Buildings & Equipment	7,634,775.99	321,443.00	2,460,085.50
Part II Line 14 Land, Buildings & Equipment	<u>15,394,595.23</u>	<u>375,893.00</u>	<u>2,795,127.00</u>
	23,029,371.22	697,336.00	5,255,212.50
Per G/L	<u>23,029,371.74</u>	<u>697,337.00</u>	<u>5,255,212.00</u>
Difference	<u>(0.52)</u>	<u>(1.00)</u>	<u>0.50</u>

FORM 990-PF 2009
THE ATLANTIC FOUNDATION- INVESTMENT
EIN 22-6054882

Part II, Line 11 Investments-land, buildings and equipment basis

Description of Property	Date Acquired	Cost or Other Basis	Prior years' Depreciation	Depreciat Method	Years or %	Depreciation Expense	Accumulated Depreciation	Book Value	FMV
Building -14 Fairgrounds Road									
ENGINEERING/CONSULTING	6/30/1994	6,797	1,614	SL	40	170	1,784	5,013	6,797
LANDSCAPING/IRRIGATION	6/30/1994	12,273	3,887	SL	30	409	4,296	7,977	12,273
LANDSCAPING/IRRIGATION	6/30/1995	26,472	8,384	SL	30	883	9,267	17,205	26,472
ENGINEERING/CONSULTING	6/30/1995	132,291	31,420	SL	40	3,308	34,728	97,563	132,291
Recy Wall	6/30/1995	13,269	4,203	SL	40	443	4,646	8,623	13,269
Lanning engineering	6/30/1996	568	134	SL	40	14	148	420	568
ARCHITECT, PERMITS, DRAWINGS/PLANS	6/30/1996	56,317	13,376	SL	40	1,408	14,784	41,533	56,317
PERMITS	6/30/1997	2,851	679	SL	40	72	751	2,100	2,851
CONSTRUCTION	6/30/1997	328,401	77,995	SL	40	8,210	86,205	242,196	328,401
DRAWINGS	6/30/1997	2,756	655	SL	40	69	724	2,032	2,756
PRE-CONSTRUCTION SERVICES - EA REEVES	6/30/1997	7,246	1,720	SL	40	181	1,901	5,345	7,246
CONSTRUCTION	6/30/1998	2,043,569	485,346	SL	40	51,089	536,435	1,507,134	2,043,569
ARCHITECT	6/30/1998	51,329	12,189	SL	40	1,283	13,472	37,857	51,329
painting of AF offices	6/30/1998	796	253	SL	30	27	280	516	796
landscaping/improvements	6/30/1999	67,971	32,286	SL	20	3,399	35,685	32,286	67,971
CONSTRUCTION	6/30/1999	1,838,962	436,753	SL	40	45,974	482,727	1,356,235	1,838,962
landscaping/improvements	6/30/2000	16,573	7,043	SL	20	829	7,872	8,701	16,573
Pavillon	6/30/2000	440,576	187,246	SL	20	22,029	209,275	231,301	440,576
CONSTRUCTION	6/30/2000	366,057	79,781	SL	39	9,386	89,167	276,890	366,057
		5,415,074	1,384,964			149,183	1,534,147	3,880,927	5,415,074

Furniture & Fixtures

receptionists desk	12/29/1998	1,251	1,251	SL	7	-	1,251	-	-
wood blinds	3/31/1999	4,070	4,070	SL	7	-	4,070	-	-
multi-trainer equipment	3/31/1999	1,751	1,751	SL	7	-	1,751	-	-
reception desk	3/31/1999	7,259	7,259	SL	7	-	7,259	-	-
copier	4/15/1999	4,044	4,044	SL	7	-	4,044	-	-
4 Olive Urns and 4 Sconces	4/21/1999	3,801	3,801	SL	7	-	3,801	-	-
file cabinets	4/30/1999	925	925	SL	7	-	925	-	-
Oriental rug and pillows	6/5/1999	3,957	3,957	SL	7	-	3,957	-	-
misc. office furnishings	6/30/1999	2,585	2,585	SL	7	-	2,585	-	-
reupholster chairs/couches	6/30/1999	2,554	2,554	SL	7	-	2,554	-	-
cell phones	8/3/1999	428	428	SL	7	-	428	-	-
3 defibrillators	10/14/1999	4,801	4,801	SL	7	-	4,801	-	-
lighting	3/17/2000	1,377	1,377	SL	7	-	1,377	-	-
furniture - Atlantic Foundation lobby	3/28/2000	7,380	7,380	SL	7	-	7,380	-	-
chandelier - studio	4/19/2000	823	823	SL	7	-	823	-	-
Articulated Desk circa 1820-30	5/31/2000	9,000	9,000	SL	7	-	9,000	-	-

FORM 990-PF 2009
THE ATLANTIC FOUNDATION- INVESTMENT
EIN 22-6054882

Part II, Line 11 Investments-land, buildings and equipment basis

Description of Property	Date Acquired	Cost or Other Basis	Prior years' Depreciation	Depreciat Method	Years or %	Depreciation Expense	Accumulated Depreciation	Book Value	FMV
feeder for copier	6/30/2000	538	538	SL	7	-	538	-	-
sofa and chairs	7/5/2000	1,050	1,050	SL	7	-	1,050	-	-
Piano - JSJ Studio	7/6/2000	2,500	2,500	SL	7	-	2,500	-	-
security cameras	7/10/2000	698	698	SL	7	-	698	-	-
gym equipment - weights	8/14/2000	553	553	SL	7	-	553	-	-
file cabinets	9/8/2000	310	310	SL	7	-	310	-	-
Oriental Rugs	12/7/2000	15,000	15,000	SL	7	-	15,000	-	-
lobby furnishings	12/18/2000	4,666	4,666	SL	7	-	4,666	-	-
Attic Shelving	1/26/2001	395	395	SL	7	-	395	-	-
AF reception furniture	4/10/2001	223	223	SL	7	-	223	-	-
bathroom rugs	5/1/2001	3,400	3,400	SL	7	-	3,400	-	-
Aquarium	5/18/2001	24,584	24,584	SL	7	-	24,584	-	-
AF reception area	6/30/2001	2,404	2,404	SL	7	-	2,404	-	-
32" TV for conference room	10/11/2001	402	402	SL	7	-	402	-	-
AF Bathrooms	11/14/2001	4,901	4,901	SL	7	-	4,901	-	-
Canon Copier	12/20/2001	4,750	4,751	SL	7	-	4,751	(1)	(1)
fitness equipment	3/7/2002	959	959	SL	7	-	959	-	-
Office Furniture	11/25/2002	1,649	1,534	SL	7	115	1,649	-	-
Table	8/30/2006	5,000	1,787	SL	7	715	2,502	2,498	2,498
File Cabinets	5/29/2007	520	156	SL	7	104	260	260	260
File Cabinets	7/27/2007	600	180	SL	7	120	300	300	300
Canmera & Printer	10/15/2007	1,335	668	SL	7	445	1,113	222	222
File Cabinets	10/15/2007	435	131	SL	7	87	218	217	217
Fax Machine	12/18/2007	495	149	SL	7	99	248	247	247
		133,373	127,943			1,685	129,628	3,745	3,745

Software & Hardware

Microsoft Exchange	1/3/2002	320	320	SL	3	-	320	-	-
Carmie's PC	1/27/2002	830	830	SL	3	-	830	-	-
3com switch	4/15/2002	354	354	SL	3	-	354	-	-
Norton Antivirus - Corporate	5/21/2002	604	604	SL	3	-	604	-	-
Lois & Janet's PC's	7/24/2002	1,630	1,630	SL	3	-	1,630	-	-
LRH PC	7/25/2002	809	809	SL	3	-	809	-	-
ARC Serve Backup software	9/6/2002	278	278	SL	3	-	278	-	-
Cisco Router- Wireless System	10/15/2002	4,374	4,374	SL	3	-	4,374	-	-
Flat Screen Monitor-HR	10/23/2002	175	175	SL	3	-	175	-	-
HP Printer	11/25/2002	424	424	SL	3	-	424	-	-
PC for HR from NJBS	3/19/2003	375	375	SL	3	-	375	-	-
Quickbooks 2003	4/29/2003	360	360	SL	3	-	360	-	-
Dell Server and related software	7/15/2003	2,875	2,875	SL	3	-	2,875	-	-
Toshiba Notebook PC	4/9/2004	1,262	1,262	SL	3	-	1,262	-	-

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THE ATLANTIC FOUNDATION- INVESTMENT
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Part II, Line 11 Investments-land, buildings and equipment basis

Description of Property	Date Acquired	Cost or Other Basis	Prior years' Depreciation	Depreciat Method	Years or %	Depreciation Expense	Accumulated Depreciation	Book Value	FMV
Network equipment	5/10/2004	581	581	SL	3	-	581	-	-
Dell Inspiron	5/27/2004	1,380	1,380	SL	3	-	1,380	-	-
Brightstor backup	5/28/2004	944	944	SL	3	-	944	-	-
Norton Antivirus	6/1/2004	251	251	SL	3	-	251	-	-
Fujitsu Notebook	12/22/2004	1,132	1,132	SL	3	-	1,132	-	-
HP PC File room	1/21/2005	390	390	SL	3	-	390	-	-
Dell Notebook	5/4/2005	1,008	1,008	SL	3	-	1,008	-	-
Dell Server and related software	4/19/2005	2,921	2,921	SL	3	-	2,920	1	1
Backup Drive	3/15/2006	1,274	1,061	SL	3	213	1,274	0	0
Dell Laptop	5/16/2006	887	738	SL	3	149	887	(0)	(0)
Notebooks	6/5/2007	934	468	SL	3	312	780	155	155
Notebooks	6/5/2007	1,220	611	SL	3	407	1,018	203	203
PC for HR from NJBS	7/11/2007	215	107	SL	3	71	178	37	37
HP Color Printers	9/14/2007	391	195	SL	3	130	325	66	66
Printer	9/27/2007	537	269	SL	3	179	448	89	89
Epson 4880	11/10/2007	463	231	SL	3	154	385	78	78
Desktop Computer & Monitor	12/31/2007	541	271	SL	3	181	452	89	89
Server	1/28/2008	647	108	SL	3	216	324	323	323
External Hard Drive	3/11/2008	98	16	SL	3	32	48	50	50
Dell Service Contract	5/6/2008	660	660	SL	1	-	660	(0)	(0)
Anti Virus Contract	5/19/2008	318	318	SL	1	-	318	(0)	(0)
Memory Upgrade	8/11/2008	61	10	SL	3	20	30	31	31
Windows Server- Terminal Services	8/31/2008	407	68	SL	3	136	204	203	203
Wireless Adapter	8/31/2008	80	13	SL	3	26	39	41	41
Compaq Computer	9/4/2009	783		SL	3	131	131	652	652
Server Rack	12/31/2009	3,748		SL	3	625	625	3,123	3,123
		36,541	28,419			2,982	31,401	5,141	5,141
Lexus	4/1/2004	19,501	17,550	SL	5	1,950	19,500	1	1

60 Sculptors' Way

Land	1/1/2005	166,050				-	-	166,050	166,050
Building	1/1/2005	1,183,950	103,597	SL	40	29,599	133,196	1,050,754	1,050,754
Equipment	1/1/2005	680,287	476,201	SL	5	136,057	612,258	68,029	68,029
		2,030,287	579,798			165,656	745,454	1,284,833	1,284,833
Totals		7,634,776	2,138,674			321,443	2,460,086	5,174,690	6,708,793

FORM 990-PF 2009
THE ATLANTIC FOUNDATION- EXEMPT
EIN 22-6054882

990, Line 14 Part II - Land Buildings and Equipment

Description of Property	Date Acquired	Cost or Other Basis	Prior years' Depreciation	Deprec. Method	Years or %	Depreciation Expense	Accumulated Depreciation	Book Value	FMV
Building -14 Fairgrounds Road									
ENGINEERING/CONSULTING	6/30/1994	6,796	1,614 SL		40	170	1,784	5,012	6,796
LANDSCAPING/IRRIGATION	6/30/1994	12,274	3,887 SL		30	409	4,296	7,978	12,274
LANDSCAPING/IRRIGATION	6/30/1995	26,472	8,385 SL		30	883	9,268	17,204	26,472
ENGINEERING/CONSULTING	6/30/1995	132,291	31,422 SL		40	3,308	34,730	97,561	132,291
Recy Wall	6/30/1995	13,270	4,205 SL		40	443	4,648	8,622	13,270
Lanning engineering	6/30/1996	568	134 SL		40	14	148	420	568
ARCHITECT, PERMITS, DRAWINGS/PLANS	6/30/1996	56,317	13,376 SL		40	1,408	14,784	41,533	56,317
PERMITS	6/30/1997	2,851	681 SL		40	72	753	2,098	2,851
CONSTRUCTION	6/30/1997	328,401	77,995 SL		40	8,210	86,205	242,196	328,401
DRAWINGS	6/30/1997	2,757	655 SL		40	69	724	2,033	2,757
PRE-CONSTRUCTION SERVICES - EA REEVES	6/30/1997	7,246	1,720 SL		40	181	1,901	5,345	7,246
CONSTRUCTION	6/30/1998	2,043,569	485,347 SL		40	51,089	536,436	1,507,133	2,043,569
ARCHITECT	6/30/1998	51,330	12,190 SL		40	1,283	13,473	37,857	51,330
painting of AF offices	6/30/1998	796	254 SL		30	27	281	515	796
landscaping/improvements	6/30/1999	67,971	32,288 SL		20	3,399	35,687	32,284	67,971
CONSTRUCTION	6/30/1999	1,838,962	436,753 SL		40	45,974	482,727	1,356,235	1,838,962
landscaping/improvements	6/30/2000	16,573	7,045 SL		20	829	7,874	8,699	16,573
Pavillion	6/30/2000	440,576	187,246 SL		20	22,029	209,275	231,301	440,576
CONSTRUCTION	6/30/2000	366,057	79,782 SL		39	9,386	89,168	276,889	366,057
		5,415,077	1,384,979			149,183	1,534,162	3,880,915	5,415,077

Furniture & Fixtures

retired assets									
receptionists desk	12/29/1998	1,245	1,249 SL		7	-	1,249	(4)	(4)
wood blinds	3/31/1999	4,069	4,067 SL		7	-	4,067	2	2
multi-trainer equipment	3/31/1999	1,750	1,750 SL		7	-	1,750	-	-
reception desk	3/31/1999	7,258	7,258 SL		7	-	7,258	-	-
copier	4/15/1999	4,043	4,042 SL		7	-	4,042	1	1
4 Olive Urns and 4 Sconces	4/21/1999	3,800	3,800 SL		7	-	3,800	-	-
file cabinets	4/30/1999	925	924 SL		7	-	924	1	1
Oriental rug and pillows	6/5/1999	3,957	3,957 SL		7	-	3,957	-	-
misc. office furnishings	6/30/1999	2,585	2,585 SL		7	-	2,585	-	-
reupholster chairs/couches	6/30/1999	2,554	2,554 SL		7	-	2,554	-	-
cell phones	8/3/1999	428	428 SL		7	-	428	-	-
3 defibrillators	10/14/1999	4,801	4,801 SL		7	-	4,801	-	-
lighting	3/17/2000	1,377	1,377 SL		7	-	1,377	-	-
furniture - Atlantic Foundation lobby	3/28/2000	7,380	7,380 SL		7	-	7,380	-	-
chandelier - studio	4/19/2000	823	823 SL		7	-	823	-	-
Articulated Desk circa 1820-30	5/31/2000	9,000	9,000 SL		7	-	9,000	-	-
feeder for copier	6/30/2000	538	538 SL		7	-	538	-	-
sofa and chairs	7/5/2000	1,050	1,050 SL		7	-	1,050	-	-
Plano - 15J Studio	7/6/2000	2,500	2,500 SL		7	-	2,500	-	-
security cameras	7/10/2000	698	698 SL		7	-	698	-	-
gym equipment - weights	8/14/2000	553	553 SL		7	-	553	-	-
file cabinets	9/8/2000	310	310 SL		7	-	310	-	-
Oriental Rugs	12/7/2000	15,000	15,000 SL		7	-	15,000	-	-
lobby furnishings	12/18/2000	4,666	4,666 SL		7	-	4,666	-	-

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990, Line 14 Part II - Land Buildings and Equipment

Description of Property	Date Acquired	Cost or Other Basis	Prior years' Depreciation	Deprec. Method	Years or %	Depreciation Expense	Accumulated Depreciation	Book Value	FMV
Attic Shelving	1/26/2001	395	395 SL		7		395	-	-
AF reception furniture	4/10/2001	223	223 SL		7		223	-	-
bathroom rugs	5/1/2001	3,400	3,400 SL		7		3,400	-	-
Aquarium	5/18/2001	24,584	24,584 SL		7		24,584	-	-
AF reception area	6/30/2001	2,404	2,404 SL		7		2,404	-	-
32" TV for conference room	10/11/2001	402	402 SL		7		402	-	-
AF Bathrooms	11/14/2001	4,901	4,901 SL		7		4,901	-	-
Canon Copier	12/20/2001	4,750	4,750 SL		7		4,750	-	-
fitness equipment	3/7/2002	959	959 SL		7		959	-	-
Office Furniture	11/25/2002	1,652	1,534 SL		7	118	1,652	-	-
Table	8/30/2006	5,000	1,785 SL		7	714	2,499	2,501	2,501
File Cabinets	5/29/2007	520	156 SL		7	104	260	260	260
File Cabinets	7/27/2007	600	180 SL		7	120	300	300	300
Camera & Printer	10/15/2007	1,335	668 SL		7	445	1,113	222	222
File Cabinets	10/15/2007	435	131 SL		7	87	218	217	217
Fax Machine	12/18/2007	495	149 SL		7	99	248	247	247
		133,365	127,930			1,687	129,617	3,748	3,748

Software & Hardware

Microsoft Exchange	1/3/2002	319	319 SL		3		319	-	-
Carmie's PC	1/27/2002	829	830 SL		3		830	(1)	(1)
3com switch	4/15/2002	353	354 SL		3		354	(1)	(1)
Norton Antivirus - Corporate	5/21/2002	603	604 SL		3		604	(1)	(1)
Lois & Janet's PC's	7/24/2002	1,629	1,630 SL		3		1,630	(1)	(1)
LRH PC	7/25/2002	809	809 SL		3		809	-	-
ARC Serve Backup software	9/6/2002	278	277 SL		3		277	1	1
Cisco Router- Wireless System	10/15/2002	4,374	4,373 SL		3		4,373	1	1
Flat Screen Monitor-HR	10/23/2002	175	174 SL		3		174	1	1
HP Printer	11/25/2002	424	424 SL		3		424	-	-
PC for HR from NJBS	3/19/2003	375	375 SL		3		375	-	-
Quickbooks 2003	4/29/2003	360	360 SL		3		360	-	-
Dell Server and related software	7/15/2003	2,875	2,875 SL		3		2,875	-	-
Toshiba Notebook PC	4/9/2004	1,262	1,262 SL		3		1,262	-	-
Network equipment	5/10/2004	581	581 SL		3		581	-	-
Dell Inspiron	5/27/2004	1,380	1,380 SL		3		1,380	-	-
Brightstor backup	5/28/2004	944	944 SL		3		944	-	-
Norton Antivirus	6/1/2004	251	251 SL		3		251	-	-
Fujitsu Notebook	12/22/2004	1,132	1,132 SL		3		1,132	-	-
HP PC File room	1/21/2005	390	390 SL		3		390	-	-
Dell Notebook	5/4/2005	1,008	1,008 SL		3		1,008	-	-
Dell Server and related software	4/19/2005	2,921	2,921 SL		3		2,921	-	-
Dell PC - CB	11/25/2005	774	774 SL		3		774	-	-
Backup Drive	3/15/2006	1,274	1,063 SL		3	211	1,274	0	0
Dell Laptop	5/16/2006	887	740 SL		3	147	887	(0)	(0)
Notebooks	6/5/2007	934	468 SL		3	312	780	155	155
Notebooks	6/5/2007	1,220	610 SL		3	406	1,016	205	205
PC for HR from NJBS	7/11/2007	215	108 SL		3	72	180	35	35
HP Color Printers	9/14/2007	391	195 SL		3	130	325	66	66

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990, Line 14 Part II - Land Buildings and Equipment

Description of Property	Date Acquired	Cost or Other Basis	Prior years' Depreciation	Deprec. Method	Years or %	Depreciation Expense	Accumulated Depreciation	Book Value	FMV
Printer	9/27/2007	537	269 SL		3	179	448	89	89
Epson 4880	11/10/2007	463	231 SL		3	154	385	78	78
Desktop Computer & Monitor	12/31/2007	541	271 SL		3	181	452	89	89
Server	1/28/2008	647	108 SL		3	216	324	323	323
External Hard Drive	3/11/2008	98	16 SL		3	32	48	50	50
Dell Service Contract	5/6/2008	660	660 SL		1	-	660	-	-
Anti Virus Contract	5/19/2008	318	318 SL		1	-	318	(0)	(0)
Memory Upgrade	8/11/2008	61	10 SL		3	20	30	31	31
Windows Server- Terminal Services	8/31/2008	407	68 SL		3	136	204	203	203
Wireless Adapter	8/31/2008	80	13 SL		3	27	40	40	40
Compaq Computer	9/4/2009	783	SL		3	131	131	652	652
Server Rack	12/31/2009	3,748	SL		3	625	625	3,123	3,123
		37,310	29,194			2,979	32,173	5,138	5,138
Lexus	4/1/2004	19,501	17,550 SL		5	1,951	19,501	-	-
540 West 21st Street Property									
Land - 540 W 21st Street	1/1/2004	5,928,694			40	-	-	5,928,694	5,928,694
Building & Improvements - 540 W. 21st	1/1/2004	1,482,173	171,018 SL		40	38,004	209,022	1,273,151	1,482,173
New Roof	8/25/2005	179,527	41,888 SL		40	11,968	53,856	125,671	179,527
Roof Construction	2/7/2006	58,929	5,892 SL		40	1,964	7,856	51,073	58,929
Roof Construction	1/1/2008	40,073	1,003		20	2,006	3,009	37,064	40,073
New Construction	10/15/2008	9,900	247		20	494	741	9,159	9,900
		7,699,296	220,048			54,436	274,484	7,424,812	7,699,296
Furniture & Fixtures - NY									
Waldner's lighting design	5/4/1999	8,896	8,896 SL		7	-	8,896	-	-
Furniture	8/19/1999	33,422	33,422 SL		7	-	33,422	-	-
	12/30/1999	17,441	17,439 SL		7	-	17,439	2	2
		59,759	59,757			-	59,757	2	2
60 Sculptors' Way									
Land	1/1/2005	166,050	-			-	-	166,050	166,050
Building	1/1/2005	1,183,950	103,596 SL		40	29,599	133,195	1,050,755	1,050,755
Equipment	1/1/2005	680,287	476,203 SL		5	136,058	612,261	68,026	68,026
		2,030,287	579,799			165,657	745,456	1,284,831	1,284,831
		15,394,595	2,419,256			375,893	2,795,127	12,599,468	14,408,092

990-PF 2009			
Exempt Assets Purchased			
Compaq Computer			783
Server Rack			3,748
			4,531

THE ATLANTIC FOUNDATION

Financial Statements and Schedules

December 31, 2009 and 2008

(With Independent Auditors' Report Thereon)

THE ATLANTIC FOUNDATION
Financial Statements and Schedules
December 31, 2009 and 2008

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Independent Auditors' Report

The Board of Trustees
The Atlantic Foundation

We have audited the accompanying statements of financial position of The Atlantic Foundation (the "Foundation") as of December 31, 2009 and 2008, and the related statements of activities and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Atlantic Foundation as of December 31, 2009 and 2008, and the changes in net assets and cash flows for the years then ended in conformity with auditing standards generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules 1 through 4 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Matthews & Co. LLP

April 29, 2010

THE ATLANTIC FOUNDATION
Statements of Financial Position
December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>Assets</u>		
Cash (note 2)	\$ 616,259	\$ 1,488,212
Investments (note 3 & 4)	37,936,640	30,297,281
Receivables (note 5):		
Notes and loans receivable, less allowance for uncollectible loans	575,000	775,000
Miscellaneous receivables	<u>159,054</u>	<u>227,104</u>
	734,054	1,002,104
Prepaid excise tax (note 8)	64,088	
Other current assets	8,481	167
Property and equipment, less accumulated depreciation of \$5,255,212 and \$4,557,875 (note 6)	17,774,160	18,462,436
Bond issuance costs, net (note 7)	<u>544,577</u>	<u>573,241</u>
	<u>\$ 57,678,259</u>	<u>\$ 51,823,441</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 378,792	\$ 314,223
Accrued excise tax (note 8)	<u>8,136</u>	<u>8,136</u>
Total current liabilities	378,792	322,359
Long term loan payable (note 7)	5,225,000	6,130,000
Long term bond payable (note 7)	<u>21,545,000</u>	<u>21,545,000</u>
Total liabilities	<u>27,148,792</u>	<u>27,997,359</u>
Unrestricted net assets:		
Operating	12,755,307	5,363,646
Net investment in property and equipment	<u>17,774,160</u>	<u>18,462,436</u>
Total net assets	<u>30,529,467</u>	<u>23,826,082</u>
	<u>\$ 57,678,259</u>	<u>\$ 51,823,441</u>

See accompanying notes to financial statements.

THE ATLANTIC FOUNDATION
Statements of Activities and Changes in Net Assets
Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Revenues:		
Net investment income:		
Dividend and interest income	\$ 735,584	\$ 1,052,746
Net realized gain on investments	486,075	572,328
Change in unrealized loss on investments	8,687,450	(16,430,330)
Investment management fees	<u>(33,081)</u>	<u>(36,729)</u>
	9,876,028	(14,841,985)
Rental income	98,054	219,153
Miscellaneous income	<u>12,859</u>	<u> </u>
Total revenues	<u>9,986,941</u>	<u>(14,622,832)</u>
Expenditures:		
Gifts and grants made	81,865	655,855
Operating expenses:		
Salaries and related costs	706,671	726,460
Interest expense	85,113	895,572
Auto expense	3,952	154
Bond issuance costs (note 7)	181,002	1,056,118
Consulting fees	77,236	124,256
Depreciation and amortization	697,337	708,389
Director's fees	2,000	1,000
Dues, subscriptions and education	8,850	3,378
Federal excise tax	2,723	26,344
Insurance	65,102	46,353
Meeting and travel expenses	11,305	18,108
Professional fees	958,400	469,569
Repairs and maintenance	167,539	195,842
Supplies and administrative expenses	79,311	38,114
Telephone	24,220	37,324
Utilities	<u>130,930</u>	<u>96,106</u>
Total expenditures	<u>3,283,556</u>	<u>5,098,942</u>
Change in net assets	6,703,385	(19,721,774)
Net assets at beginning of year	<u>23,826,082</u>	<u>43,547,856</u>
Net assets at end of year	<u>\$ 30,529,467</u>	<u>\$ 23,826,082</u>

See accompanying notes to financial statements.

THE ATLANTIC FOUNDATION
Statements of Cash Flows
Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Change in net assets	\$ 6,703,385	\$ (19,721,774)
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation and amortization	697,337	708,389
Bond issuance costs	28,664	363,573
Net realized gain on investments	(486,075)	(572,328)
Change in unrealized loss on investments	(8,687,450)	16,430,330
(Increase) decrease in assets:		
Miscellaneous receivables	68,050	(184,541)
Prepaid excise tax	(64,088)	
Other current assets	(8,314)	
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	64,569	(157,886)
Accrued excise tax	(8,136)	(32,449)
Net cash (used in) operating activities	<u>(1,692,058)</u>	<u>(3,166,686)</u>
Cash flows from investing activities:		
Proceeds on sale of investments	4,392,794	5,742,418
Purchase of investments	(2,858,628)	(1,998,871)
Purchase of property and equipment	(9,061)	(54,513)
Repayment of loans made	<u>200,000</u>	<u>481,135</u>
Net cash provided by investing activities	<u>1,725,105</u>	<u>4,170,169</u>
Cash flows from financing activities:		
Loan payable		6,130,000
Additional bond payable		21,545,000
Repayment of bond payable	(905,000)	(27,270,000)
Net cash (used in) provided by in financing activities	<u>(905,000)</u>	<u>405,000</u>
(Decrease) increase in cash	(871,953)	1,408,483
Cash at beginning of year	<u>1,488,212</u>	<u>79,729</u>
Cash at end of year	\$ <u><u>616,259</u></u>	\$ <u><u>1,488,212</u></u>

See accompanying notes to financial statements.

THE ATLANTIC FOUNDATION
Notes to Financial Statements
December 31, 2009 and 2008

1. Organization and Summary of Significant Accounting Policies

a. Organization

The Atlantic Foundation (the "Foundation") was incorporated under the laws of the State of New Jersey as a private foundation.

The Foundation was established for charitable, religious, scientific, literary or educational purposes either directly or by contributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code.

b. Basis of Accounting

The accompanying financial statements of the Foundation have been prepared on the accrual basis of accounting, whereas the Foundation follows the modified cash basis of accounting for tax reporting purposes.

c. Estimates

The preparation of financial statements in conformity with United States Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

d. Net Asset Classifications

The Foundation is required to report information regarding its financial position and activities according to three classes of net assets: Unrestricted Net Assets, Temporarily Restricted Net Assets, and Permanently Restricted Net Assets. Net assets are defined as follows:

Unrestricted net assets - net assets that are not subject to donor-imposed stipulations or the donor-imposed restrictions have expired.

Temporarily Restricted net assets - subject to donor-imposed stipulations that may be fulfilled by actions of the Foundation to meet the stipulations or become unrestricted at the date specified by the donor.

Permanently Restricted net assets - subject to donor-imposed stipulations that they be retained and invested permanently by the Foundation.

e. Revenue Recognition

Revenues are reported as increases in unrestricted net assets unless use of the related assets are limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

(Continued)

THE ATLANTIC FOUNDATION
Notes to Financial Statements

1. Continued

f. Reserve for uncollectible loans

Loans considered uncollectible are charged against the allowance account in the year they are deemed uncollectible.

g. Investments

Investments consist principally of publicly traded debt and equity securities. Fair value of investments in securities is based on the last reported sales price at December 31, 2009.

Investments in partnerships are carried at estimated fair value as determined by the general partner after giving consideration to various financial data currently available.

h. Property and Equipment

Property and equipment are carried at cost. Depreciation is computed using the straight-line method based on the assets estimated useful lives. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to operations as incurred; significant renewals and betterments are capitalized.

i. Bond Issuance Costs

The bond issue was restructured in October 2008. Fees and expenses incurred directly in connection with the bond issue are deferred and amortized using the straight-line method over the term of the respective debt. Amortization expense amounted to \$28,664 for the year ended December 31, 2009.

j. Changes in Financial Statement Presentation

Certain reclassifications have been made to the 2008 information for comparative purposes in order to conform to the 2009 presentation.

2. Concentration of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist of cash accounts in a bank. At times, the balances in the account may be in excess of federally insured limits. At December 31, 2009, cash exceeded federally insured limits by \$23,806.

(Continued)

THE ATLANTIC FOUNDATION
Notes to Financial Statements

3. Fair Value of Financial Instruments

Financial Accounting Standards Board Accounting Standard Codification (ASC) 825 requires disclosures about the fair value for all financial instruments, whether or not recognized, for financial statement purposes. Disclosures about fair value of financial instruments are based on pertinent information available to management as of December 31, 2009 and 2008, respectively.

Fair Value Measurements

Management has estimated the fair values of cash, receivables, investments, accounts payable, accrued expenses and bonds payable to be approximately their respective carrying values reported on these statements. Carrying values approximate fair values at December 31, 2009 and 2008, respectively.

The Foundation adopted Financial Accounting Standards Board Accounting Standard Codification (ASC) 820 as of January 1, 2008, which among other things requires enhanced disclosures about investments that are measured and reported at fair value. ASC 820 establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices, or for which fair value can be measured from actively quoted prices, generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. The adoption of ASC 820 did not have a material impact on the Foundation's financial statements.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level I - Quoted prices are available in active market for identical investments as of the reporting date. The types of investment included in Level I are listed equity securities. As required by ASC 820, the Foundation does not adjust the quoted price for these investments.

Level II - Pricing inputs are those other than quoted prices in active markets and are either directly observable as of the reporting date. Fair value is determined through the use of models or other valuation methodologies. Investments that are generally included in this category are less liquid and restricted equity securities.

Level III - Pricing inputs are unobservable and there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are generally included in this category are investments in venture capital investments in private companies or unregistered securities.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to the fair value measure in its entirety requires judgment and considers factors specific to the investment.

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THE ATLANTIC FOUNDATION
Notes to Financial Statements

3. Continued

The following table summarizes the valuation of the Foundation's investments by the above ASC 820 fair value hierarchy levels as of December 31, 2009:

Level I	\$ 37,632,682
Level III	<u>303,958</u>
Total	<u>\$ 37,936,640</u>

The changes in investment measured at fair value which the Foundation has used Level III inputs to determine fair value are as follows:

Balance at January 01, 2009	\$ 349,339
Investment loss, net	(32,713)
Realized gain, net	22,512
Unrealized loss, net	<u>(35,180)</u>
Balance at December 31, 2009	<u>\$ 303,958</u>

4. Investments

Investments are stated at fair value and consist of the following:

<u>2009</u>	<u>Fair Value</u>	<u>Cost</u>
Equity mutual funds	\$ 32,625,922	\$ 37,042,564
Bond mutual funds	3,856,536	3,957,154
Stocks	1,150,224	881,343
Limited partnership interest	<u>303,958</u>	<u>675,460</u>
	<u>\$ 37,936,640</u>	<u>\$ 42,556,521</u>
 <u>2008</u>	 <u>Fair Value</u>	 <u>Cost</u>
Equity mutual funds	\$ 24,410,596	\$ 36,961,771
Bond mutual funds	5,537,346	5,957,180
Limited partnership interest	<u>349,339</u>	<u>685,662</u>
	<u>\$ 30,297,281</u>	<u>\$ 43,604,613</u>

(Continued)

THE ATLANTIC FOUNDATION
Notes to Financial Statements

5. Receivable

Notes and loans receivable consist principally of the following:

	<u>2009</u>	<u>2008</u>
Related Parties:		
Eyebeam Atelier		
3.5% promissory note unsecured. Interest charges		
for 2009 and 2008 have been forgiven by the Foundation.		
The note matures on August 1, 2013.	\$ 550,000	\$ 550,000
GFSL, Inc. 6% demand note, secured	575,000	575,000
The Sculpture Foundation, Inc, non-interest bearing		200,000
The Sculpture Foundation, Inc.		
5% demand note. Interest charges for 2009		
and 2008 have been forgiven by the Foundation	<u>1,700,000</u>	<u>1,700,000</u>
Total notes and loans receivable	2,825,000	3,025,000
Less allowance for uncollectible loans	<u>2,250,000</u>	<u>2,250,000</u>
	<u>\$ 575,000</u>	<u>\$ 775,000</u>

Miscellaneous receivable consists of the following:

	<u>2009</u>	<u>2008</u>
Related Parties:		
Digital Atelier	\$ 42,935	\$
GFSL, Inc.	9,344	22,875
The Sculpture Foundation, Inc	9,267	100,669
Johnson Art and Education Foundation	<u>97,508</u>	<u>103,560</u>
	<u>\$ 159,054</u>	<u>\$ 227,104</u>

6. Property and Equipment

Property and equipment consists of the following:

	<u>2009</u>	<u>2008</u>	<u>Estimated Useful Lives</u>
Land and improvements	\$10,399,296	\$10,399,296	
Buildings and improvements	10,830,152	10,830,152	20 years
Furniture and equipment	<u>1,799,924</u>	<u>1,790,863</u>	3-10 years
	23,029,372	23,020,311	
Less accumulated depreciation	<u>(5,255,212)</u>	<u>(4,557,875)</u>	
	<u>\$17,774,160</u>	<u>\$18,462,436</u>	

(Continued)

THE ATLANTIC FOUNDATION
Notes to Financial Statements

7. Long-Term Liabilities

The Foundation restructured its bond agreement (the "Restructured Agreement") with the Mercer County Improvement Authority (the "Authority") on October 2, 2008. Under the Restructured Agreement, the Authority issued a new Variable Rate Demand Obligations Series 2008 (the "Bonds") in the amount of \$21,545,000. The bonds are to be used in connection with specified purposes as described in the 1998 bond agreement. The variable rate bonds require monthly interest payments with an interest rate of 0.20% at December 31, 2009. The Foundation, may convert the bonds to a term rate or fixed rate instrument, after which, semi-annual interest payments will be required. In connection with the Restructured Agreement, the Authority also entered into a trust indenture with a bank to serve as trustee and tender agent. Interest is payable monthly to the trustee through 2028. The trust indenture is secured by a letter of credit and a liquidity facility issued by another bank in the face amount of the Bonds plus any unpaid interest. The liquidity facility contains restrictive covenants including a liquidity ratio. The Foundation pays fees for the liquidity facility and remarketing services related to the Bonds. The Revenue Refunding Bonds mature on September 1, 2028.

On October 2, 2008, Bank of America issued a commercial loan to the Foundation, which matures on November 1, 2014. At December 31, 2009, the loan balance is \$5,225,000. The commercial loan requires monthly interest payments with an interest rate of 0.58% at December 31, 2009. Interest is payable monthly to the trustee through 2014.

See footnote 1 (i) for related bond issuance cost disclosure.

8. Federal Excise Tax

The Atlantic Foundation is a private foundation and is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. An excise tax of 2% of net investment income is imposed however. The Foundation must meet certain requirements to be subject to a Federal excise tax of 1% of net investment income which is determined on the accrual basis of accounting.

The following tabulation reflects such tax due for the years ended December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Total investment income - cash basis	\$ 1,332,571	\$ 1,844,271
Less allocation of expenses for preservation of assets and collection of income	<u>1,019,797</u>	<u>1,030,626</u>
Net investment income subject to Federal excise tax	<u>\$ 312,774</u>	<u>\$ 813,645</u>
Federal excise tax	\$ 3,128	\$ 8,136
Prior year (over) under accrual of tax	<u>(405)</u>	<u>18,208</u>
	<u>\$ 2,723</u>	<u>\$ 26,344</u>

(Continued)

THE ATLANTIC FOUNDATION
Notes to Financial Statements

8. Continued

The Foundation is required by the Internal Revenue Code to distribute 5% of the average fair market value of its investment assets during the year or be subject to a tax of 15% of undistributed income. The distribution must be made by the end of the subsequent year.

The distribution requirements for 2009 and 2008, including excess distributions made, are as follows:

	<u>2009</u>	<u>2008</u>
Qualifying distributions	\$ 1,923,068	\$ 3,698,379
Distribution requirements	<u>1,486,139</u>	<u>2,416,841</u>
	436,929	1,281,538
Excess distributions of prior years	2,076,280	938,063
Unapplied distribution carryover	<u> </u>	<u>(143,321)</u>
Excess distributions	<u>\$ 2,513,209</u>	<u>\$ 2,076,280</u>

9. Supplemental Cash Flow Information

Supplemental disclosure of cash flow information:

	<u>2009</u>	<u>2008</u>
Excise tax paid during the year	\$ <u> </u>	\$ <u>58,793</u>
Interest paid during the year	\$ <u>105,608</u>	\$ <u>872,444</u>

Supplemental disclosure of non-cash investing activity:

The Foundation received a stock distribution from its investment in Zone Ventures. The stocks were distributed at fair market value at the distribution date, and the total distribution is valued at \$225,488 for year December 31, 2008.

THE ATLANTIC FOUNDATION
Investments
December 31, 2009

<u>Description</u>	<u>Number of Shares Units or Par Value</u>	<u>Carrying Value</u>	<u>Fair Market Value</u>
Equity mutual funds:			
Vanguard 500 Index Fund Admiral Shares	8,266	\$ 649,148	\$ 701,079
Vanguard Explorer Fund Admiral Shares	6,247	398,461	332,962
Vanguard International Growth Fund Admiral Shares	61,381	4,099,862	3,317,055
Vanguard International Value Fund	138,687	5,130,730	4,245,223
Vanguard Mid-Cap Index Fund Admiral Shares	71,287	1,689,313	1,670,248
Vanguard PrimeCap Fund Admiral Shares	232,051	14,704,931	14,308,255
Vanguard Small-Cap Index Fund Admiral Shares	74,980	1,621,911	1,858,747
Vanguard Windsor II Fund Admiral Shares	152,083	<u>8,748,208</u>	<u>6,192,353</u>
Total equity mutual funds		<u>37,042,564</u>	<u>32,625,922</u>
Bond mutual funds:			
Vanguard Long-Term Investment Shares	158,915	1,533,956	1,417,519
Vanguard Short-Term Investment Shares	230,319	<u>2,423,198</u>	<u>2,439,017</u>
Total bond mutual funds		<u>3,957,154</u>	<u>3,856,536</u>
Others:			
Zone Venture Fund II, L.P.		675,460	303,958
Stocks	53,715	<u>881,343</u>	<u>1,150,224</u>
Total others		<u>1,556,803</u>	<u>1,454,182</u>
Total investments		<u>\$42,556,521</u>	<u>\$37,936,640</u>

See accompanying auditors' report.

THE ATLANTIC FOUNDATION
Net Realized Gain on Investments
Year Ended December 31, 2009

<u>Description</u>	<u>Number of Shares Units or Par Value</u>	<u>Proceeds</u>	<u>Carrying Cost</u>	<u>Gain (Loss)</u>
Equities:				
Proshares Ultra Basic Material ETF	56,150	\$ 1,324,434	\$ 751,079	\$ 573,355
Vanguard PRIMECAP Fund Admiral Shares	19,497	<u>1,000,015</u>	<u>1,049,343</u>	<u>(49,328)</u>
Net realized gain on equities		<u>2,324,449</u>	<u>1,800,422</u>	<u>524,027</u>
Bond mutual fund:				
Vanguard Long - Term Admiral Shares	110,071	925,000	928,458	(3,458)
Vanguard Short - Term Admiral Shares	107,017	<u>1,050,000</u>	<u>1,127,959</u>	<u>(77,959)</u>
Net realized gain on bond mutual fund		<u>1,975,000</u>	<u>2,056,417</u>	<u>(81,417)</u>
Others:				
Zone Venture Fund II, L.P.		22,512		22,512
Dryships Inc	10,750	<u>70,833</u>	<u>49,880</u>	<u>20,953</u>
Net realized gain on investments		<u>\$ 4,392,794</u>	<u>\$ 3,906,719</u>	<u>\$ 486,075</u>

See accompanying auditors' report.

THE ATLANTIC FOUNDATION
Change in Unrealized Loss on Investments
Years Ended December 31, 2009 and 2008

Description	Unrealized Gain (Loss)		Net Change
	2009	2008	
Equity mutual funds:			
Vanguard S&P 500 Index Fund Signal Shares	\$ 51,930	\$ (81,541)	\$ 133,471
Vanguard Explorer Fund Admiral Shares	(65,499)	(153,706)	88,207
Vanguard International Growth Fund Admiral Shares	(782,807)	(1,718,874)	936,067
Vanguard International Value Fund	(885,506)	(1,881,282)	995,776
Vanguard Mid-Cap Index Fund Signal Shares	(19,065)	(485,411)	466,346
Vanguard PrimeCap Fund Admiral Shares	(396,677)	(4,019,120)	3,622,443
Vanguard Small-Cap Index Fund Signal Fund	236,836	(243,184)	480,020
Vanguard Windsor II Fund Admiral Shares	(2,555,856)	(3,968,057)	1,412,201
Bond mutual funds:			
Vanguard Long-Term Admiral Shares	(116,437)	(127,580)	11,143
Vanguard Short-Term Admiral Shares	15,818	(292,254)	308,072
Others:			
Zone Venture Fund II, L.P.	(371,502)	(336,323)	(35,179)
Stocks	<u>268,882</u>		<u>268,882</u>
Change in unrealized loss on investments	\$ <u>(4,619,883)</u>	\$ <u>(13,307,332)</u>	\$ <u>8,687,449</u>

See accompanying auditors' report.

THE ATLANTIC FOUNDATION
Gifts and Grants Made
Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
The Willow School	\$ 25,000	\$ 50,000
Northeast Kingdom Youth Services		1,900
Dreamland Theater		600,000
Grounds For Sculpture	11,865	3,955
The Nation Institute	15,000	
Kharme Choling	<u>30,000</u>	
Total gifts and grants made	\$ <u>81,865</u>	\$ <u>655,855</u>

See accompanying auditors' report.

THE ATLANTIC FOUNDATION
Fixed Assets
Years Ended December 31, 2009 and 2008

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Carrying Value</u>
December 31, 2009:			
14 Fairgrounds Road	\$10,830,153	\$ 3,068,277	\$ 7,761,876
Furniture and Fixtures	266,739	259,233	7,506
Software and Hardware	73,850	63,554	10,296
Vehicles	39,001	39,001	
Furniture and Fixtures - 540 West 21st Street	59,758	59,758	
540 West 21st Street	7,699,296	274,482	7,424,814
60 Sculptors' Way	2,700,000	266,390	2,433,610
Equipment - Johnson Atelier	<u>1,360,575</u>	<u>1,224,517</u>	<u>136,058</u>
	<u>\$23,029,372</u>	<u>\$ 5,255,212</u>	<u>\$17,774,160</u>

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Carrying Value</u>
December 31, 2008			
14 Fairgrounds Road	\$10,830,152	\$ 2,769,919	\$ 8,060,233
Furniture and Fixtures	266,739	255,860	10,879
Software and Hardware	64,790	57,598	7,192
Vehicles	39,001	35,099	3,902
Furniture and Fixtures - 540 West 21st Street	59,758	59,758	
540 West 21st Street	7,699,296	220,047	7,479,249
60 Sculptors' Way	2,700,000	207,192	2,492,808
Equipment - Johnson Atelier	<u>1,360,575</u>	<u>952,402</u>	<u>408,173</u>
	<u>\$23,020,311</u>	<u>\$ 4,557,875</u>	<u>\$18,462,436</u>

See accompanying auditors' report.