25760T

Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2009

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: HORACE G. FRALIN CHARITABLE TRUST

Number and street (or P O box number if mail is not delivered to street address): P.O. BOX 29600 Room/suite

City or town, state, and ZIP code: ROANOKE VA 24018

A Employer identification number: 54-1509505

B Telephone number (see page 10 of the instructions): 540-776-7444

C If exemption application is pending, check here ▶ [ ]

D 1. Foreign organizations, check here ▶ [ ]

2. Foreign organizations meeting the 85% test, check here and attach computation ▶ [ ]

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ [ ]

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ [ ]

H Check type of organization [ ] Section 501(c)(3) exempt private foundation
[X] Section 4947(a)(1) nonexempt charitable trust [ ] Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ $ 45,408,718

J Accounting method [ ] Cash [X] Accrual [ ] Other (specify) (Part I, column (d) must be on cash basis)

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see 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 ▶ [X] if the foundation is **not** required to attach Sch B				
3	Interest on savings and temporary cash investments	714,714	538,577	714,714	
4	Dividends and interest from securities	288,928	287,995	288,928	
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10 STMT 1	182,330			
b	Gross sales price for all assets on line 6a 14,482,934				
7	Capital gain net income (from Part IV, line 2)		0		
8	Net short-term capital gain			0	
9	Income modifications				
10a	Gross sales less returns & allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule) STMT 2	230,968	173,756	230,968	
12	**Total.** Add lines 1 through 11	1,416,940	1,000,328	1,234,610	
Operating and Administrative Expenses 13	Compensation of officers, directors, trustees, etc	24,000			
14	Other employee salaries and wages	13,000			
15	Pension plans, employee benefits	995			
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule) STMT 3	23,100			
c	Other professional fees (attach schedule)				
17	Interest	129			
18	Taxes (attach schedule) (see page 14 of the instructions)				
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (att sch) STMT 4	648,916	246,473		
24	**Total operating and administrative expenses.** Add lines 13 through 23	710,140	246,473		0
25	Contributions, gifts, grants paid	1,994,481			1,994,481
26	**Total expenses and disbursements.** Add lines 24 and 25	2,704,621	246,473	0	1,994,481
27	Subtract line 26 from line 12				
a	**Excess of revenue over expenses and disbursements**	-1,287,681			
b	**Net investment income** (if negative, enter -0-)		753,855		
c	**Adjusted net income** (if negative, enter -0-)			1,234,610	

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For Privacy Act and Paperwork Reduction Act Notice, see page 30 of the instructions. Form **990-PF** (2009)

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	Part II Balance Sheets — Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets				
1	Cash—non-interest-bearing			
2	Savings and temporary cash investments	3,382,974	5,106,858	5,106,858
3	Accounts receivable ▶			
	Less allowance for doubtful accounts ▶			
4	Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
5	Grants receivable			
6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions)			
7	Other notes and loans receivable (att. schedule) ▶ SEE WRK 808,762			
	Less allowance for doubtful accounts ▶	1,026,982	808,762	808,762
8	Inventories for sale or use			
9	Prepaid expenses and deferred charges			
10a	Investments—U S and state government obligations (attach schedule) STMT 5	11,069,470	7,924,299	8,139,229
b	Investments—corporate stock (attach schedule) SEE STMT 6	3,308,741	2,158,978	2,120,404
c	Investments—corporate bonds (attach schedule) SEE STMT 7	249,258	224,925	230,178
11	Investments—land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach sch) ▶			
12	Investments—mortgage loans			
13	Investments—other (attach schedule) SEE STATEMENT 8	20,045,481	21,560,069	28,746,686
14	Land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach sch) ▶			
15	Other assets (describe ▶ SEE STATEMENT 9)	242,961	256,601	256,601
16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	39,325,867	38,040,492	45,408,718
Liabilities				
17	Accounts payable and accrued expenses		2,306	
18	Grants payable			
19	Deferred revenue			
20	Loans from officers, directors, trustees, and other disqualified persons			
21	Mortgages and other notes payable (attach schedule)			
22	Other liabilities (describe ▶)			
23	**Total liabilities** (add lines 17 through 22)	0	2,306	
Net Assets or Fund Balances				
	Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.			
24	Unrestricted			
25	Temporarily restricted			
26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.			
27	Capital stock, trust principal, or current funds	39,317,534	38,038,186	
28	Paid-in or capital surplus, or land, bldg , and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds	8,333		
30	**Total net assets or fund balances** (see page 17 of the instructions)	39,325,867	38,038,186	
31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	39,325,867	38,040,492	

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	39,325,867
2	Enter amount from Part I, line 27a	2	-1,287,681
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	38,038,186
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	38,038,186

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	N/A			
b				
c				
d				
e				

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

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				
b				
c				
d				
e				

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 } **2**

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**

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	1,987,789	39,915,684	0.049800
2007	1,835,277	48,178,478	0.038093
2006	1,846,561	51,471,772	0.035875
2005	1,876,955	44,293,684	0.042375
2004	1,976,254	40,229,973	0.049124

2	**Total** of line 1, column (d)	2	0.215267
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	0.043053
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	33,666,820
5	Multiply line 4 by line 3	5	1,449,458
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	7,539
7	Add lines 5 and 6	7	1,456,997
8	Enter qualifying distributions from Part XII, line 4	8	1,994,481

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ 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 ▶ [X] and enter 1% of Part I, line 27b			1	7,539
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	7,539
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			4	0
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-			5	7,539
6	Credits/Payments				
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	6,700		
b	Exempt foreign organizations—tax withheld at source	6b			
c	Tax paid with application for extension of time to file (Form 8868)	6c	1,500		
d	Backup withholding erroneously withheld	6d			
7	Total credits and payments Add lines 6a through 6d			7	8,200
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached			8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	661
11	Enter the amount of line 10 to be **Credited to 2010 estimated tax** ▶ 0 Refunded ▶			11	661

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		X
	If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ ______ **(2)** On foundation managers ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ______			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a	X	
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? Attached	4b	X	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ VA			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities (continued)

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see 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 ▶ N/A

14 The books are in care of ▶ THE TRUST Telephone no ▶ 540-776-7444
PO BOX 29600
Located at ▶ ROANOKE, VA ZIP+4 ▶ 24018

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041**—Check here ▶ [X]
and enter the amount of tax-exempt interest received or accrued during the year ▶ | 15 | 177,070

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies. | | Yes | No

1a During the year did the foundation (either directly or indirectly)

(1) Engage in the sale or exchange, or leasing of property with a disqualified person? [ ] Yes [X] No

(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? [ ] Yes [X] No

(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? [ ] Yes [X] No

(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? [ ] Yes [X] No

(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? [ ] Yes [X] No

(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) [ ] Yes [X] No

b If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? N/A | 1b | |

Organizations relying on a current notice regarding disaster assistance check here ▶ [ ]

c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009? N/A | 1c | |

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? [ ] Yes [X] No

If "Yes," list the years ▶ 20 , 20 , 20 , 20

b Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see page 20 of the instructions) N/A | 2b | |

c If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here
▶ 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? [X] Yes [ ] No

			Yes	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		X
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)?	N/A	5b	
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐		
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	N/A ☐ Yes ☐ No		
	If "Yes," attach the statement required by Regulations section 53 4945-5(d)			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		6b	X
	If "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?	N/A	7b	

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

1 List all officers, directors, trustees, foundation managers and their compensation (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
W. HEYWOOD FRALIN ROANOKE P.O. BOX 29600 VA 24018	CO-TRUSTEE 40.00	12,000	0	0
WILLIAM H. FRALIN ROANOKE P.O. BOX 29600 VA 24018	CO-TRUSTEE 40.00	12,000	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
NONE				

Total number of other employees paid over $50,000 ▶

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

3 Five highest-paid independent contractors for professional services (see 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
NONE		

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

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 N/A	
2	
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 N/A	
2	
All other program-related investments See page 24 of the instructions 3	
Total. Add lines 1 through 3 ▶	

Part X Minimum Investment Return (All domestic foundations must complete this part Foreign foundations, see page 24 of the instructions)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities	1a	9,228,383
b	Average of monthly cash balances	1b	2,213,467
c	Fair market value of all other assets (see page 24 of the instructions)	1c	25,595,139
d	**Total** (add lines 1a, b, and c)	1d	37,036,989
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	37,036,989
4	Cash deemed held for charitable activities Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions) SEE STATEMENT 10	4	3,370,169
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	33,666,820
6	**Minimum investment return.** Enter 5% of line 5	6	1,683,341

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	1,683,341
2a	Tax on investment income for 2009 from Part VI, line 5	2a	7,539		
b	Income tax for 2009 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	7,539
3	Distributable amount before adjustments Subtract line 2c from line 1			3	1,675,802
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	1,675,802
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	1,675,802

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	1,994,481
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	1,994,481
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	7,539
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	1,986,942

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				1,675,802
2	Undistributed income, if any, as of the end of 2009				
a	Enter amount for 2008 only			1,994,446	
b	Total for prior years 20 ____ , 20 ____ , 20 ____				
3	Excess distributions carryover, if any, to 2009				
a	From 2004				
b	From 2005				
c	From 2006				
d	From 2007				
e	From 2008				
f	**Total** of lines 3a through e				
4	Qualifying distributions for 2009 from Part XII, line 4 ▶ $ 1,994,481				
a	Applied to 2008, but not more than line 2a			1,994,446	
b	Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c	Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d	Applied to 2009 distributable amount				35
e	Remaining amount distributed out of corpus				
5	Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))				
6	**Enter the net total of each column as indicated below:**				
a	Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b	Prior years' undistributed income Subtract line 4b from line 2b				
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d	Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions				
e	Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
f	Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				1,675,767
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)				
9	**Excess distributions carryover to 2010.** Subtract lines 7 and 8 from line 6a				
10	Analysis of line 9				
a	Excess from 2005				
b	Excess from 2006				
c	Excess from 2007				
d	Excess from 2008				
e	Excess from 2009				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 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	Prior 3 years			(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the 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))

N/A

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

N/A

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

W. HEYWOOD FRALIN 540-776-7444
PO BOX 29600 ROANOKE VA 24018

b The form in which applications should be submitted and information and materials they should include

N/A

c Any submission deadlines

N/A

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

N/A

Part XV · **Supplementary Information** (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year SEE ATTACHED SCHED				1,994,481
Total			▶ 3a	1,994,481
b Approved for future payment N/A				
Total			▶ 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities					
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)					

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

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

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See page 29 of the instructions)
N/A	

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
N/A			

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge

X W Heywood Fralin X [signature] 10/26/10 Co-Trustees

Signature of officer or trustee Date Title

Paid Preparer's Use Only

Preparer's signature	W E Spencer Jr	Date 10/25/10	Check if self-employed ☐
Preparer's identifying number (see Signature on page 30 of the instructions)	224-50-8886		
Firm's name (or yours if self-employed), address, and ZIP code	SPENCER HAGER & MOSDELL, P.C. P.O. BOX 1165 ROANOKE, VA 24006-1165	EIN 54-1467814	Phone no 540-985-0308

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets

Description			How Received				
Whom Sold	Date Acquired	Date Sold	Sale Price	Cost	Expense	Depreciation	Net Gain / Loss
LONG TERM OTHER K-1 PASSTHROUGH			PURCHASE				
	VARIOUS	VARIOUS	$ -590,273	$	$	$	$ -590,273
SECTION 1231 PASS THROUGH			PURCHASE				
	VARIOUS	VARIOUS	131,850				131,850
FINAL K-1'S PASS-THROUGH			PURCHASE				
	VARIOUS	VARIOUS	-87,982				-87,982
SECTION 1250 K-1 PASSTHROUGH			PURCHASE				
	VARIOUS	VARIOUS	435,378				435,378
CHARLES SCHWAB ACCOUNT (SEE ATTACHED)			PURCHASE				
	VARIOUS	VARIOUS	1,608,746	1,594,762			13,984
MOORINGS GROUP ACCOUNT (SEE ATTACHED)			PURCHASE				
	VARIOUS	VARIOUS	2,056,297	2,030,353			25,944
PLEDGED ASSET ACCOUNT (SEE ATTACHED)			PURCHASE				
	VARIOUS	VARIOUS	4,622,178	4,581,898			40,280
MOORINGS GROUP #0846 ACCOUNT (SEE ATTACHED)			PURCHASE				
	VARIOUS	VARIOUS	6,020,455	6,093,591			-73,136
SHORT TERM OTHER K-1 PASSTHROUGH			PURCHASE				
	VARIOUS	VARIOUS	223,708				223,708
SHORT-TERM GAIN/LOSS FROM PASS-THROUGH ENTITY							
			26,585				26,585
LONG-TERM GAIN/LOSS FROM PASS-THROUGH ENTITY							
			35,992				35,992
TOTAL			$ 14,482,934	$ 14,300,604	$ 0	$ 0	$ 182,330

Horace G Fralin Charitable Trust
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CHARLES SCHWAB STOCK SALES

	Date Acquired	Date of Sale	Proceeds	Cost Basis	Realized Gain or Loss
8580 sh Duke Energy	10/29/1998	6/24/2009	$ 123,706 89	$ 190,080 00	$ (66,373 11)
5000 sh FPL Group	6/21/2005	6/24/2009	289,511.52	205,788 00	83,723.52
3500 sh Kayne Anderson	9/25/2006	6/24/2009	73,513 11	95,875 72	(22,362 61)
5000 sh Macquarie Global	3/21/2007	6/24/2009	62,239.45	150,008 95	(87,769 50)
3800 sh Anadarko Petroleum	3/26/2002	6/24/2009	172,659 60	107,314 28	65,345 32
2494 sh Cabot Oil & Gas	12/28/2005	6/24/2009	76,330 75	37,786 66	38,544.09
4100 sh Conocophillips	11/4/2002	6/24/2009	169,441.17	99,466 00	69,975.17
5092 sh Exxon	7/30/1998	6/24/2009	351,941 01	138,408 56	213,532.45
19000 sh Macquarie Global	6/7/2007	10/12/2009	289,403 01	570,034 00	(280,630.99)
Totals			$ 1,608,746.51	$ 1,594,762 17	$ 13,984 34

Horace G Fralin Charitable Trust
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MOORINGS GROUP STOCK SALES

	Date Acquired	Date of Sale	Proceeds	Cost Basis	Realized Gain or Loss
250000 Louisa VA Indl	11/14/2008	1/8/2009	$ 252,485.00	$ 250,015 00	$ 2,470.00
200000 Isle Wight Cnty	12/5/2008	2/11/2009	219,845.00	202,793 00	17,052 00
100000 Municipal Elec	4/3/2007	2/12/2009	95,725.00	98,142 00	(2,417 00)
125000 Kent Cnty Mich	4/30/2008	3/1/2009	125,000.00	125,246.25	(246 25)
95000 Virginia St Hsg	11/6/2006	4/1/2009	95,000.00	92,556 60	2,443.40
500000 Port Auth NY	3/12/2008	5/1/2009	503,085 00	497,810.00	5,275 00
250000 Miami Dade	1/8/2008	5/5/2009	255,110 00	255,285 00	(175 00)
250000 Texas Wtr Res	5/28/2009	8/15/2009	250,000 00	252,822.50	(2,822.50)
100000 JEA Fl Elec	3/2/2009	11/2/2009	108,937 00	108,470.00	467.00
150000 Municipal Elec	4/3/2007	11/2/2009	151,110 00	147,213 00	3,897 00
					-
			$ 2,056,297.00	$ 2,030,353 35	$ 25,943 65

Horace G Fralin Charitable Trust
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PLEDGED ASSET ACCOUNT STOCK SALES

	Date Acquired	Date of Sale	Proceeds	Cost Basis	Realized Gain or Loss
500000 New York St Dorm	10/24/2007	2/17/2009	$ 500,000.00	$ 494,710 00	5,290 00
495000 Bedford Cnty	8/15/2008	4/1/2009	495,000.00	505,078.35	(10,078.35)
500000 Burke Cnty GA	3/18/2008	6/9/2009	511,125 00	503,130 00	7,995 00
250000 Texas Wtr Res	5/28/2009	8/15/2009	250,000 00	252,822 50	(2,822 50)
550000 New York St Urban	3/11/2008	12/15/2009	550,000 00	556,197 00	(6,197 00)
500000 Baltimore MD	3/13/2008	12/16/2009	526,870 00	517,550 00	9,320 00
250000 Indiana BD Bk	3/18/2009	12/16/2009	257,105 00	250,015.00	7,090 00
250000 Municipal Elec	4/20/2009	12/16/2009	255,580 00	249,940.00	5,640 00
500000 Regional Transn	6/19/2009	12/16/2009	507,390.00	500,015.00	7,375 00
250000 Suntrust Bank	12/9/2008	12/16/2009	259,695.00	249,257.50	10,437 50
250000 Virginia St	11/14/2008	12/16/2009	252,852 50	253,167 50	(315.00)
250000 Virginia St Hsg	3/25/2009	12/16/2009	256,560.00	250,015 00	6,545 00
					-
			$ 4,622,177.50	$ 4,581,897 85	$ 40,279 65

Horace G Fralin Charitable Trust
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MOORINGS GROUP #0846 STOCK SALES

	Date Acquired	Date of Sale	Proceeds	Cost Basis	Realized Gain or Loss
250000 Chicago Illinois	12/2/2008	1/1/2009	252,500.00	253,157.50	(657.50)
500000 New York NY	10/3/2008	2/15/2009	500,000.00	504,975 00	(4,975 00)
250000 Bedford Cnty	12/10/2008	4/1/2009	250,000.00	252,397 50	(2,397.50)
500000 New York St Twy	10/3/2008	4/1/2009	500,000 00	506,905 00	(6,905.00)
800000 Virginia Cmwlth	10/3/2008	5/18/2009	808,000.00	823,503 00	(15,503 00)
1000000 Maricopa Cnty	9/30/2008	7/1/2009	1,010,000 00	1,041,345 00	(31,345 00)
1000000 Texas Wtr	5/28/2009	8/15/2009	1,000,000.00	1,011,245.00	(11,245 00)
500000 Virginia College 2034	4/24/2009	8/18/2009	500,000.00	500,015 00	(15 00)
100000 Norfolk VA Rede	8/26/2009	9/1/2009	100,000.00	100,015.00	(15 00)
500000 Forsyth Cnty GA	6/5/2009	10/6/2009	499,985 00	500,015.00	(30 00)
500000 Mount Pleasant	6/17/2009	10/6/2009	499,985 00	500,015 00	(30 00)
100000 Wheaton College	6/5/2009	10/23/2009	99,985 00	100,003 00	(18 00)
					-
			$ 6,020,455 00	$ 6,093,591 00	$ (73,136 00)

Federal Statements

Statement 2 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
MISCELLANEOUS	$ 82,393	$ 82,393	$ 82,393
OTHER P/S LOSS	171,440	171,440	171,440
OTHER SFM LP'S LOSS	-6,078		-6,078
OTHER SFM CAP MKT., LP LOSS	-80,077	-80,077	-80,077
UNRELATED BUS. INC. ON 990	63,290		63,290
TOTAL	$ 230,968	$ 173,756	$ 230,968

Statement 3 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
INDIRECT ACCOUNTING FEES	$ 23,100	$	$	$
TOTAL	$ 23,100	$ 0	$ 0	$ 0

Statement 4 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	$	$	$	$
EXPENSES				
BANK CHARGES	200	200		
FIDUCIARY FEES	105,672	105,672		
INVESTMENT DEDUCTIONS	540,782	138,339		
MISCELLANEOUS	2,262	2,262		
TOTAL	$ 648,916	$ 246,473	$ 0	$ 0

Federal Statements

Statement 5 - Form 990-PF, Part II, Line 10a - US and State Government Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
See attached	$ 11,069,470	$ 7,924,299	COST	$ 8,139,229
TOTAL	$ 11,069,470	$ 7,924,299		$ 8,139,229

Statement 6 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
See attached	$ 3,308,741	$ 2,158,978	COST	$ 2,120,404
TOTAL	$ 3,308,741	$ 2,158,978		$ 2,120,404

Statement 7 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
See attached	$ 249,258	$ 224,925	COST	$ 230,178
TOTAL	$ 249,258	$ 224,925		$ 230,178

Statement 8 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
See attached	$ 20,045,481	$ 21,560,069	COST	$ 28,746,686
TOTAL	$ 20,045,481	$ 21,560,069		$ 28,746,686

Statement 9 - Form 990-PF, Part II, Line 15 - Other Assets

Description	Beginning of Year	End of Year	Fair Market Value
INCOME/EXCISE TAXES RECEIVABLE	$ 242,961	$ 256,601	$ 256,601
TOTAL	$ 242,961	$ 256,601	$ 256,601

THE HORACE G FRALIN CHARITABLE TRUST
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FORM 990-PF, PAGE 2, PART II, LINE 7 -
NOTES RECEIVABLE

BEAUFONT OAKS II L.P.	$	48,237
CREEKWOOD VILLAGE		38,722
F&W OFFICE PARK III (1) & (2)		269,496
FALCON POINTE L P.		257,482
LAUREL PINES L P		143,813
PULASKI RETIREMENT CENTER		36,032
FALCON POINTE		14,980
	$	808,762

HORACE G. FRALIN CHARITABLE TRUST
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FORM 990-PF, PAGE 2, PART II, LINE 10a -
INVESTMENTS - U.S. & STATE GOVT. OB

	Book Value	Market Value
460,000 FED FARM CR 4.75% DUE 9/30/15	$ 487,730	$ 496,699
500,000 DANVILLE, VA 4.55% DUE 3/1/15	500,015	534,300
300,000 DOWNTOWN SAVANNAH 4.25% DUE 8/1/17	305,025	298,452
175,000 EDEN PRAIRIE, MN 5 5% DUE 2/1/16	179,110	188,379
250,000 FORT WAYNE, IN 5.125% DUE 2/1/14	251,625	266,040
500,000 INDIANA BD BK 5 68% DUE 7/15/14	515,255	559,050
125,000 KENT COUNTY, MI 4.5% DUE 1/31/10	125,246	125,246
100,000 LEESBURG, VA 4.57% DUE 2/1/18	100,015	97,425
250,000 MEDICAL UNIV 4.259% DUE 8/15/10	248,825	251,585
500,000 MIAMI-DADE COUNTY 5 46% DUE 4/1/15	500,025	542,255
250000 MONTGOMERY COUNTY 5 125% DUE 12/15/13	249,500	271,315
250,000 MUNICIPAL ELEC 5.07% DUE 1/1/19	245,355	246,473
250,000 NEBRASKA PUB PWR 5.14% DUE 1/1/14	250,015	270,220
220,000 SUFFOLK, VA 4.36% DUE 2/1/17	220,015	213,981
475,000 VIRGINIA BEACH, VA 5 75% DUE 8/1/12	485,508	515,513
325,000 VIRGINIA ST HSG 4.3% DUE 4/1/12	316,940	330,099

HORACE G. FRALIN CHARITABLE TRUST
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FORM 990-PF, PAGE 2, PART II, LINE 10a -
INVESTMENTS - U S. & STATE GOVT OB

	Book Value	Market Value
150,000 SOUTH EUCLID, OH 3 8% DUE 1/25/10	150,015	150,250
250,000 BURKE CNTY, GA VAR 2037 DUE 1/1/37	254,424	252,183
475,000 DORCHESTER CNTY 1 55% DUE 5/1/11	475,015	476,625
590,000 FAIRFAX CNTY, VA 5% DUE 5/15/10	610,866	600,366
500,000 JAMES CITY CNTY, VA VAR 2036 DUE 12/1/36	500,015	500,000
200,000 MISSISSIPPI BUS VAR 2039 DUE 12/1/39	200,015	200,000
250,000 WATERBURY, CT 2.5% DUE 9/1/10	253,718	252,773
500,000 WHEATON COLLEGE VAR 2035 DUE 10/1/35	500,027	500,000
	$ 7,924,299	$ 8,139,229

THE HORACE G. FRALIN CHARITABLE TRUST
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FORM 990-PF, PAGE 2, PART II, LINE 10b -
INVESTMENTS - CORPORATE STOCK

	Book Value	Market Value
14,940 KAYNE ANDERSON MLP INVT	$ 408,978	373,847
WELLINGTON MANAGEMENT	200,000	196,557
1 MAP 2004	750,000	750,000
1 MAP 2006	700,000	700,000
1 MAP 2009	100,000	100,000
	$ 2,158,978	$ 2,120,404

THE HORACE G FRALIN CHARITABLE TRUST
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FORM 990-PF, PAGE 2, PART II, LINE 10c -
INVESTMENTS - CORPORATE BONDS

	Book Value	Market Value
100,000 STANFORD UNIV 3.625% DUE 5/1/14	$ 99,910	$ 102,904
125,000 UNIV NOTRE DAME 4 141% DUE 9/1/13	125,015	127,274
	$ 224,925	$ 230,178

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FORM 990-PF, PAGE 2, PART II, LINE 13 -
OTHER INVESTMENTS

		Book Value		Market Value
Fralin and Waldron Office Park Limited Partnership	$	196,435	$	782,942
F&W Office Park II Limited Partnership		6,606		70,256
Fralin & Waldron Commercial Rental II Limited Partnership		228,285		567,554
MFW Associates, L L C.		5,124		9,416
MFW Associates Limited Partnership		11,109		43,206
Central Investors Limited Partnership		10,043		23,060
F&W Development, L.L.C.		4,898		0
Clearview Manor Limited Partnership		16,185		289,237
Creekwood Village Limited Partnership		(13,091)		7,769
Falcon Pointe		(389,602)		0
Ferncliffe South Apartments		14,668		188,349
Glendale Limited Partnership		14,325		65,499
Laurel Pines Apartments		(116,313)		7,640
London Oaks Limited Partnership		19,509		623,479
Newman Village Apartments		1,403		14,026
Peppertree Apartments		(9,236)		50,828
Peppertree II Limited Partnership		(30,285)		39,409
Riverwood Limited Partnership		(6,789)		105,354
Shawnee Apartments		14,375		337,146
Shawnee II Apartments		11,177		17,595
Southview Village Apartments		56,753		7,690
Spruce Village Limited Partnership		11,739		89,411
Timberlyne Village Limited Partnership		23,150		364,834
Twin Canal Village Limited Partnership		31,048		104,538
Westwood Village Apartments		31,747		0
Willow Woods Limited Partnership		758		1,762
Woodcroft Village Limited Partnership		7,310		0
Woodside Village Limited Partnership		3,076		0
F&W Management Corporation		359,916		49,431
Region Properties, Inc		45,510		254,300
Falcun Corporation		5,835		16,950
Medical Facilities of America LXVIII (68) Limited Partnership		0		2,333
Drapers Meadow West, L.L.C.		82,605		31,463
Beaufont Oaks Limited Partnership		(49,825)		195,033
Beaufont Oaks II Limited Partnership		4,029		18,025
Bent Creek II Apartments		(988)		9,497
F&W Office Park III, L.C		126,375		446,100
FW Properties, L.L.C.		113,759		208,485
FW Properties II, L.L C		222,663		345,780
FW Properties VI, L.L.C		38,964		76,275
FW Properties VII, L.L.C.		144,143		251,740

THE HORACE G FRALIN CHARITABLE TRUST
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FORM 990-PF, PAGE 2, PART II, LINE 13 -
OTHER INVESTMENTS

	Book Value	Market Value
Horace Fralın, L.L.C	$ 13,708	279,952
Fernclıff Apartments Limited Partnership	23,621	229,144
SFM Global Strategıes, LP	13,046,169	13,235,817
SFM Capıtal Markets, LP	6,192,715	8,151,166
SFM PE, LP	1,036,463	1,134,195
Total	$ 21,560,069	$ 28,746,686

Federal Statements

Statement 10 - Form 990-PF, Part X, Line 4 - Cash Deemed Held - Greater Amount Explanation

Description	Amount
PLEDGED ACCOUNT FOR ART MUSEUM	3,370,169
TOTAL	3,370,169

HORACE G FRALIN CHARITABLE TRUST
54-1509505
12/31/2009

FORM 990-PF, PAGE 11, PART XV, LINE 3 -
GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

Name and Address	Purpose	Amount
Art Museum of Western Virginia Roanoke, Virginia	Various	$ 1,198,446
Center in the Square Roanoke, Virginia	Various	200,000
Goodwill Industries of the Valleys Roanoke, Virginia	Various	10,000
North Cross School Roanoke, Virginia	Various	50,000
The Rescue Mission Roanoke, Virginia	Support for the Needy	500,000
West End Center for Youth Roanoke, Virginia	Support of Youth Organization	20,000
YMCA Roanoke Valley Roanoke, Virginia	Various	10,000
VWCC Educational Foundation Roanoke, Virginia	Educational Support	6,000
From K-1's	Various	35
TOTAL		$ 1,994,481

Federal Statements

Statement 11 - Form 990-PF, Part XVI-A, Line 11 - Other Revenue

Description	Business Code	Unrelated Amount	Exclusion Code	Exclusion Amount	Related Income
MISCELLANEOUS		$	14	$ 82,393	$
OTHER P/S LOSS			14	171,440	
OTHER SFM LP'S LOSS	900003	-6,078	14		
OTHER SFM CAP MKT., LP LOSS			14	-80,077	
UNRELATED BUS. INC. ON 990	531390	63,290	16		
TOTAL		$ 57,212		$ 173,756	$ 0

Form **8868**
(Rev April 2009)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**

OMB No 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ [X]
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only ▶ [ ]

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T) However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868 For more details on the electronic filing of this form, visit www irs gov/efile and click on e-file for Charities & Nonprofits

Type or print File by the due date for filing your return See instructions	Name of Exempt Organization HORACE G. FRALIN CHARITABLE TRUST	Employer identification number 54-1509505
	Number, street, and room or suite no If a P O box, see instructions P.O. BOX 29600	
	City, town or post office, state, and ZIP code For a foreign address, see instructions ROANOKE VA 24018	

Check type of return to be filed (file a separate application for each return)

[ ] Form 990	[ ] Form 990-T (corporation)	[ ] Form 4720
[ ] Form 990-BL	[ ] Form 990-T (sec 401(a) or 408(a) trust)	[ ] Form 5227
[ ] Form 990-EZ	[ ] Form 990-T (trust other than above)	[ ] Form 6069
[X] Form 990-PF	[ ] Form 1041-A	[ ] Form 8870

- The books are in the care of ▶ THE TRUST

Telephone No ▶ 540-774-4415 FAX No ▶

- If the organization does not have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ______ If this is for the whole group, check this box ▶ [ ] If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 08/15/10 , to file the exempt organization return for the organization named above The extension is for the organization's return for
▶ [X] calendar year 2009 or
▶ [ ] tax year beginning , and ending

2 If this tax year is for less than 12 months, check reason [ ] Initial return [ ] Final return [ ] Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	3a	$ 8,200
b	If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit	3b	$ 6,700
c	**Balance Due.** Subtract line 3b from line 3a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	3c	$ 1,500

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** and check this box ▶ [X]

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1)

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Type or print File by the extended due date for filing the return See instructions	Name of Exempt Organization HORACE G. FRALIN CHARITABLE TRUST	**Employer identification number** 54-1509505
	Number, street, and room or suite no If a P O box, see instructions P.O. BOX 29600	For IRS use only
	City, town or post office, state, and ZIP code For a foreign address, see instructions ROANOKE VA 24018	

Check type of return to be filed (File a separate application for each return)

[ ] Form 990	[X] Form 990-PF	[ ] Form 1041-A	[ ] Form 6069
[ ] Form 990-BL	[ ] Form 990-T (sec 401(a) or 408(a) trust)	[ ] Form 4720	[ ] Form 8870
[ ] Form 990-EZ	[ ] Form 990-T (trust other than above)	[ ] Form 5227	

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of ▶ THE TRUST

Telephone No ▶ 540-776-7444 FAX No. ▶

- If the organization does not have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ______ If this is for the whole group, check this box ▶ [ ] If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension is for

4 I request an additional 3-month extension of time until 11/15/10

5 For calendar year 2009 , or other tax year beginning , and ending

6 If this tax year is for less than 12 months, check reason [ ] Initial return [ ] Final return [ ] Change in accounting period

7 State in detail why you need the extension

ADDITIONAL TIME IS NEEDED TO GATHER INFORMATION. ONE K-1 WITH HISTORICALLY SIGNIFICANT ACTIVITY HAS NOT YET BEEN RECEIVED.

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	8a	$ 6,871
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868	8b	$ 8,200
c	**Balance Due.** Subtract line 8b from line 8a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	8c	$ 0

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature ▶ Title ▶ Date ▶