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
KNIER FAMILY FOUNDATION
C/O COMERICA BANK & TRUST NA, AGENT

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
P.O. BOX 75000 M/C 3302

City or town, state, and ZIP code
DETROIT, MI 48275-3302

A Employer identification number 56-2061224

B Telephone number 252-467-4743

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
☐ 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)* ▶$ 1,346,014.

J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) *(Part I, column (d) must be on cash basis.)*

Part I **Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received			N/A	
	2 Check ▶ ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	22,149.	22,149.		Statement 1
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	3,342.			
	b Gross sales price for all assets on line 6a 1,305,567.				
	7 Capital gain net income (from Part IV, line 2)		3,342.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income				
	12 Total. Add lines 1 through 11	25,491.	25,491.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees				
	c Other professional fees Stmt 2	8,347.	7,447.		900.
	17 Interest				
	18 Taxes Stmt 3	784.	0.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses Stmt 4	125.	0.		125.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	9,256.	7,447.		1,025.
	25 Contributions, gifts, grants paid	9,618.			9,618.
	26 **Total expenses and disbursements.** Add lines 24 and 25	18,874.	7,447.		10,643.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	6,617.			
	b **Net investment income** (if negative, enter -0-)		18,044.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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923501 02-02-10 LHA **For Privacy Act and Paperwork Reduction Act Notice, see the instructions.** Form **990-PF** (2009)

10P

12130403 756897 56-2061224 2009.03030 KNIER FAMILY FOUNDATION C/O 56-20611

Part II Balance Sheets

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

		Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1 Cash - non-interest-bearing	40,371.	6,698.	6,698.
	2 Savings and temporary cash investments	1,234,942.	182,654.	182,654.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock Stmt 5	0.	500,717.	580,345.
	c Investments - corporate bonds Stmt 6	0.	567,442.	576,317.
	11 Investments - land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers)	1,275,313.	1,257,511.	1,346,014.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶ OUTSTANDING CHECKS)	25,000.	0.	
	23 **Total liabilities** (add lines 17 through 22)	25,000.	0.	
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 ▶ [X] and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	1,419,290.	1,419,290.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	-168,977.	-161,779.	
	30 **Total net assets or fund balances**	1,250,313.	1,257,511.	
	31 **Total liabilities and net assets/fund balances**	1,275,313.	1,257,511.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	1,250,313.
2	Enter amount from Part I, line 27a	2	6,617.
3	Other increases not included in line 2 (itemize) ▶ ITEMS REPORTED IN PRIOR YEARS	3	581.
4	Add lines 1, 2, and 3	4	1,257,511.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	1,257,511.

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	SCHEDULE ATTACHED	P		
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	1,305,567.		1,302,225.	3,342.
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				3,342.
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	3,342.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8		3	N/A

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

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

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

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

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

1 Enter the appropriate amount in each column for each year; see instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2008	64,424.	1,533,583.	.042009
2007	86,777.	1,698,466.	.051091
2006	87,885.	1,632,322.	.053840
2005	90,737.	1,508,472.	.060152
2004	147,977.	1,656,692.	.089321

2 Total of line 1, column (d)	2	.296413
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	.059283
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	1,254,868.
5 Multiply line 4 by line 3	5	74,392.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	180.
7 Add lines 5 and 6	7	74,572.
8 Enter qualifying distributions from Part XII, line 4	8	10,643.

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling 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 ▶ ☐ and enter 1% of Part I, line 27b			1	361.
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	361.
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	361.
6 Credits/Payments:				
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a	784.		
b Exempt foreign organizations - tax withheld at source	6b			
c Tax paid with application for extension of time to file (Form 8868)	6c			
d Backup withholding erroneously withheld	6d			
7 Total credits and payments. Add lines 6a through 6d			7	784.
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	423.
11 Enter the amount of line 10 to be: **Credited to 2010 estimated tax** ▶ 364. **Refunded** ▶			11	59.

Part VII-A Statements Regarding Activities

		Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.			
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ 0. **(2)** On foundation managers. ▶ $ 0.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7 Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV.*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ MO,NC			
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? 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)? *If "Yes," complete Part XIV*	9		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ NONE

14 The books are in care of ▶ COMERICA BANK Telephone no. ▶ 313-222-3304
Located at ▶ 500 WOODWARD 21ST FLOOR, DETROIT, MI ZIP+4 ▶ 48226

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

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

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

			Yes	No
1a	During the year did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 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? ☐ Yes ☒ No			
	If "Yes," list the years ▶ ______, ______, ______, ______			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.) N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ______, ______, ______, ______			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 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.)* N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4b		X

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

5a During the year did the foundation pay or incur any amount to:			
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes ☒ No		
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	☐ Yes ☒ No		
(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes ☒ No		
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?	☐ Yes ☒ No		
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes ☒ No		
b If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?	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.

(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
STEVE KNIER 1400 CRESCENT GREEN DR CARY, NC 27511	TRUSTEE 1.00	0.	0.	0.

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

(a) Name and address of each employee paid more than $50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over $50,000 ▶ 0

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

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		

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

Part IX-A Summary of Direct Charitable Activities

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

Part IX-B Summary of Program-Related Investments

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

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	1,261,634.
b	Average of monthly cash balances	1b	12,344.
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	1,273,978.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e 0.		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	1,273,978.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	19,110.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,254,868.
6	**Minimum investment return.** Enter 5% of line 5	6	62,743.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6			1	62,743.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	361.		
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	361.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	62,382.
4	Recoveries of amounts treated as qualifying distributions			4	0.
5	Add lines 3 and 4			5	62,382.
6	Deduction from distributable amount (see instructions)			6	0.
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	62,382.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	10,643.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	10,643.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	10,643.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII **Undistributed Income** (see instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				62,382.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			0.	
b Total for prior years: ______ , ______ , ______		0.		
3 Excess distributions carryover, if any, to 2009:				
a From 2004 68,332.				
b From 2005 16,743.				
c From 2006 7,563.				
d From 2007 2,636.				
e From 2008				
f **Total** of lines 3a through e	95,274.			
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ $ 10,643.				
a Applied to 2008, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2009 distributable amount				10,643.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)	51,739.			51,739.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	43,535.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7	16,593.			
9 **Excess distributions carryover to 2010.** Subtract lines 7 and 8 from line 6a	26,942.			
10 Analysis of line 9:				
a Excess from 2005 16,743.				
b Excess from 2006 7,563.				
c Excess from 2007 2,636.				
d Excess from 2008				
e Excess from 2009				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

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

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year-see the instructions.)

1 **Information Regarding Foundation Managers:**

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

None

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

None

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

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

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

See Statement 7

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SCHEDULE ATTACHED	NONE	EXEMPT	GENERAL OPERATING FUND	9,618.
Total			▶ 3a	9,618.
b *Approved for future payment*				
None				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	(b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	(d) Amount	(e) Related or exempt function income
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	22,149.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	3,342.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.		25,491.	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 25,491.

(See worksheet in line 13 instructions to verify calculations.)

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

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

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

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

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

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

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

b If "Yes," complete the following schedule.

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

Sign Here

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

Signature of officer or trustee — April 13, 2010 — Date — TRUSTEE — Title

Paid Preparer's Use Only

Preparer's signature	Date 4/5/10	Check if self-employed ☐	Preparer's identifying number
Firm's name (or yours if self-employed), address, and ZIP code: COMERICA BANK	EIN	
	Phone no. 586-795-2037	

Form 990-PF Dividends and Interest from Securities Statement 1

Source	Gross Amount	Capital Gains Dividends	Column (A) Amount
DIVIDENDS	7,750.	0.	7,750.
INTEREST	14,399.	0.	14,399.
Total to Fm 990-PF, Part I, ln 4	22,149.	0.	22,149.

Form 990-PF Other Professional Fees Statement 2

Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
CUSTODIAN MANAGEMENT FEE	7,447.	7,447.		0.
TAX PREPARATION FEE	900.	0.		900.
To Form 990-PF, Pg 1, ln 16c	8,347.	7,447.		900.

Form 990-PF Taxes Statement 3

Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
EXCISE	784.	0.		0.
To Form 990-PF, Pg 1, ln 18	784.	0.		0.

Form 990-PF Other Expenses Statement 4

Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
BANK SERVICE CHARGES	125.	0.		125.
To Form 990-PF, Pg 1, ln 23	125.	0.		125.

Form 990-PF	Corporate Stock	Statement 5

Description	Book Value	Fair Market Value
CORPORATE STOCKS	500,717.	580,345.
Total to Form 990-PF, Part II, line 10b	500,717.	580,345.

Form 990-PF	Corporate Bonds	Statement 6

Description	Book Value	Fair Market Value
CORPORATE BONDS	567,442.	576,317.
Total to Form 990-PF, Part II, line 10c	567,442.	576,317.

Form 990-PF Grant Application Submission Information Statement 7
Part XV, Lines 2a through 2d

Name and Address of Person to Whom Applications Should be Submitted

STEVE & BONNIE KNIER
1400 CRESCENT GREEN DR
CARY, NC 27511

Telephone Number

919-816-1660

Form and Content of Applications

LETTER FORM WITH IRS DETERMINATION LETTER STATING THE PURPOSE OF THE GRANT REQUEST

Any Submission Deadlines

DECEMBER 1

Restrictions and Limitations on Awards

LIMITED TO AWARDS FOR EDUCATION, RESEARCH AND/OR MEDICAL ASSISTANCE

KNIER FAMILY FOUNDATION
2009 Contributions

CHARITIES	ADDRESS	AMOUNT	PURPOSE
Apex United Methodist Church	100 S Hughes St, Apex, NC 27502	1,000 00	General operating ,fund
Cardinal Gibbons High School	1401 Edwards Mill Rd , Raleigh, NC 27601	2,500 00	Scholarships
Children's Flight of Hope	130 Edinburgh S Dr, Ste 203, Cary, NC 27511	657 60	Medical flights for needy children
Fellowship of Christian Athletes	6511 Creedmoor Rd , Ste 206, Raleigh, NC 27613	1,000 00	General operating ,fund
Lake Toxaway Charities	P O Box 163, Lake Toxaway, NC 28747	500 00	General operating ,fund
Learning Together	568 East Lenior ST , Raleigh, NC 27601	1,460 00	General operating ,fund
Leukemia & Lymphoma	612 Pasteur Dr, #409, Greensboro, NC 27403	150 00	General operating ,fund
MacKay Foundation	7 Thimbleberry Square, Greensboro, NC 27455	600 00	General operating ,fund
Mayo Clinic	Rochester, MN	100 00	General operating ,fund
Miracle League	P O Box 4193, Cary, NC 27519	1,500 00	General operating ,fund
Mobile Meals	301 E Washington, Greensboro, NC 27406	50 00	General operating ,fund
MS Society	3101 Industrial Dr, Ste 210, Raleigh, NC 27609	100 00	General operating ,fund
Western Wake Crisis Ministry	103 East Chatham St , Apex, NC 27502		
		9,617 60	

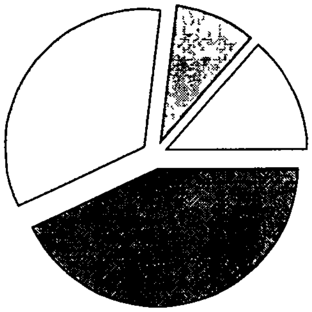
Transaction Detail (Continued)

Date	Description	Principal Cash	Income Cash	Cost	Gain / Loss
10/23/09	PURCHASED 1,000 SHS NATIONAL CITY CAP TR III PFD 6 625 ON 10/20/2009 AT 21 51 THRU STIFEL NICOLAUS AND COMPANY	21,510 00-		21,510 00	
10/28/09	PURCHASED 1,000 SHS MERRILL LYNCH CAP TR 7 000% PFD CORPORATE DEBT DERIVATIVE ON 10/23/2009 AT 20 19 THRU STIFEL NICOLAUS AND COMPANY	20,190 00-		20,190 00	
11/02/09	PURCHASED 1,000 SHS BANK OF AMERICA CORP 6 500% PFD ON 10/28/2009 AT 23 00 THRU STIFEL NICOLAUS AND COMPANY	23,000 00-		23,000 00	
	NET CASH MANAGEMENT	182,653 63-	0 00	182,653 63	
Total Purchases		**1,318,316.68-**	**0.00**	**1,318,316.68**	**0.00**
Sales					
10/23/09	SOLD 100 SHS ISHARES MSCI EMERGING MKT INDEX ON 10/20/2009 AT 40 9201 THRU STIFEL NICOLAUS AND COMPANY COMMISSIONS PAID 105 00 EXPENSES PAID 0 11	3,986 90		3,171 88-	815 02
10/23/09	SOLD 400 SHS PPL CORPORATION ON 10/20/2009 AT 30 61 THRU STIFEL NICOLAUS AND COMPANY COMMISSIONS PAID 277 53 EXPENSES PAID 0 32	11,966 15		13,299 36-	1,333 21-
10/23/09	SOLD 50 SHS MIDCAP SPDR TRUST SER 1 ON 10/20/2009 AT 128 87 THRU STIFEL NICOLAUS AND COMPANY COMMISSIONS PAID 105.00 EXPENSES PAID 0 17	6,338 33		5,309 39-	1,028 94
10/23/09	SOLD 100 SHS ISHARES RUSSELL MIDCAP VALUE ON 10/20/2009 AT 36 4208 THRU STIFEL NICOLAUS AND COMPANY COMMISSIONS PAID 100 74 EXPENSES PAID 0 10	3,541 24		2,977 94-	563 30
10/23/09	SOLD 100 SHS ISHARES RUSSELL 2000 GROWTH ON 10/20/2009 AT 66 9408 THRU STIFEL NICOLAUS AND COMPANY COMMISSIONS PAID 105 00 EXPENSES PAID 0 18	6,588 90		5,495 50-	1,093 40
10/26/09	REDEEMED 10/26/2009 35,000 UNITS EXELON GENERATION CO 6 95% 06/15/2011	38,423 35		37,249 10-	1,174 25
	NET CASH MANAGEMENT	1,234,721 81	0 00	1,234,721 81-	
Total Sales		**1,305,566.68**	**0.00**	**1,302,224.98-**	**3,341.70**
Ending Balance		**23,914.83-**	**23,914.83**	**1,250,812.51**	**3,341.70**

KNIER FAMILY FOUNDATION
Contributions - 2009

Date	Check #	Name	Address	City, State, Zip	Amount
1/13/09	294	Children's Flight of Hope	130 Edinburgh South Drive, Suite 20	Cary, NC 27511	$ 657.60
1/13/09	295	Miracle League	PO BOX 4193	Cary, NC 27519	$ 1,500.00
4/1/09	1401	MS Society	3101 Industial Drive, Suite 210	Raleigh, NC 27609	$ 100.00
5/12/09	1402	Cardinal Gibbons High School	1401 Edwards Mill Rd	Raleigh, NC 27607	$ 1,000.00
8/24/09	1403	Lake Toxaway Charities	PO BOX 163	Lake Toxaway, NC 28747	$ 500.00
8/25/09	1404	Mayo Clinic	200 First Street SW	Rochester, MN 55905	$ 100.00
9/25/09	1405	MacKay Foundation	7 Thimbleberry Square	Greensboro, NC 27455	$ 600.00
10/13/09	1406	Mobile Meals	PO BOX 461	Spartanburg, SC 29304	$ 50.00
10/13/09	1408	Leukemia & Lymphoma	P.O. Box 4072	Pittsfield, MA 01202	$ 150.00
10/19/09	1409	Learning Together	568 East Lenior Street	Raleigh, NC 27601	$ 1,000.00
10/29/09	1410	Fellowship of Christian Athletes	6511 Creedmoor Road, Suite 206	Raleigh, NC 27613	$ 1,000.00
11/3/09	1412	Cardinal Gibbons High School	1401 Edwards Mill Rd	Raleigh, NC 27607	$ 1,500.00
12/7/09	1414	Learning Together	568 East Lenior Street	Raleigh, NC 27601	$ 460.00
12/15/09	1415	Apex United Methodist Church	100 South Hughes Street	Apex, NC 27502	$ 1,000.00
					$ 9,617.60

Investment Portfolio Summary



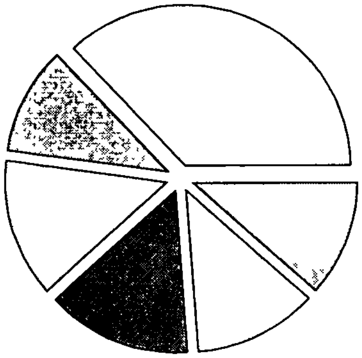
	Tax Cost	Market Value	Percent
CASH AND EQUIVALENTS	182, 653 63	182, 653 63	13 6%
EQUITIES	109, 830 21	126, 997 75	9 5%
EQUITIES - OTHER	390, 887 07	453, 347 00	33 9%
FIXED INCOME	567, 441 60	576, 317 25	43 0%
Total	1, 250, 812 51	1, 339, 315 63	100 0%

Investment Detail

Description		Total Market/ Total Cost	Market Price/ Cost Price	Est Annual Inc / Unreal Gain / Loss	Current Yield
Income Cash And Equivalents					
Cash					
INCOME CASH		23,914 83 23,914 83			
** Total Cash	Sub- Total	23,914.83 23,914.83		0.00 0.00	0.00
* Total Income Cash And Equivalents		23,914.83 23,914.83		0.00 0.00	0.00
Principal Cash And Equivalents					
Cash					
PRINCIPAL CASH		23,914 83- 23,914.83-			
** Total Cash	Sub- Total	23,914.83- 23,914.83-		0.00 0.00	0.00
Short Term Investments					
GOLDMAN SACHS FS MMF AD SH		182,653 63 182,653 63	1 00 1 00	18 27	0 01
** Total Short Term Investments	Sub- Total	182,653.63 182,653.63		18.27 0.00	0.01
* Total Principal Cash And Equivalents		158,738.80 158,738.80		18.27 0.00	0.01

Investment Detail (Continued)

Equity Diversification Summary



Industry Sector	Market Value	Percent
CONSUMER STAPLES	46, 779 25	36 8%
FINANCIALS	13, 915 00	11 0%
HEALTHCARE	17, 592 00	13 8%
INDUSTRIALS	18, 347 00	14 5%
INFORMATION TECHNOLOGY	15, 456 00	12 2%
TELECOMMUNICATION SERVICES	14, 908 50	11 7%
Total	126, 997 75	100 0%

Description	Ticker	Shares	Total Market/ Total Cost	Market Price/ Cost Price	Est Annual Inc / Unreal Gain / Loss	Current Yield
Equities						
Consumer Staples						
KELLOGG CO	K	300 000	15,960 00 13,126 59	53 20 43 76	450 00 2,833 41	2 82
PHILIP MORRIS INTL INC	PM	325 000	15,661 75 13,549 11	48 19 41 69	754 00 2,112 64	4 81
PROCTER & GAMBLE CO	PG	250 000	15,157 50 13,174 80	60 63 52 70	440 00 1,982 70	2 90
** Total Consumer Staples		Sub-Total	46,779.25 39,850.50		1,644.00 6,928.75	3.51
Financials						
NYSE EURONEXT	NYX	550 000	13,915 00 13,961 04	25 30 25 38	660 00 46 04-	4 74
** Total Financials		Sub-Total	13,915.00 13,961.04		660.00 46.04-	4.74
Healthcare						
MEDTRONIC INC	MDT	400 000	17,592 00 14,060 75	43 98 35 15	328 00 3,531 25	1 86
** Total Healthcare		Sub-Total	17,592.00 14,060.75		328.00 3,531.25	1.86
Industrials						
NORFOLK SOUTHERN CORP SOUTHERN CORP	NSC	350 000	18,347.00 13,620 67	52 42 38 92	476 00 4,726 33	2 59
** Total Industrials		Sub-Total	18,347.00 13,620.67		476.00 4,726.33	2.59

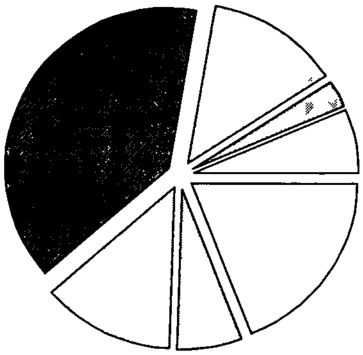
Investment Detail (Continued)

Description	Ticker	Shares	Total Market/ Total Cost	Market Price/ Cost Price	Est Annual Inc / Unreal Gain / Loss	Current Yield
Information Technology						
RAYTHEON COMPANY	RTN	300 000	15,456 00 14,648 50	51 52 48 83	372 00 807 50	2 41
** Total Information Technology		Sub-Total	15,456.00 14,648.50		372.00 807.50	2.41
Telecommunication Services						
VERIZON COMMUNICATIONS	VZ	450 000	14,908 50 13,688.75	33 13 30 42	855 00 1,219.75	5 73
** Total Telecommunication Services		Sub-Total	14,908.50 13,688.75		855.00 1,219.75	5.73
* Total Equities			126,997.75 109,830.21		4,335.00 17,167.54	3.41
Equities - Other						
Preferred Stock						
BANK OF AMERICA CORP 6 500% PFD	IKJ	1,000 000	23,630 00 23,000 00	23 63 23 00	1,625 00 630 00	6 88
CORTS TRUST FOR FORD MTR 8% PFD	KVU	1,000 000	22,150 00 18,250 00	22 15 18 25	2,000 00 3,900 00	9 03
MERRILL LYNCH CAP TR 7 000% PFD CORPORATE DEBT DERIVATIVE		1,000 000	20,550 00 20,190 00	20 55 20 19	1,750 00 360 00	8 52
NATIONAL CITY CAP TR III PFD 6 625		1,000 000	21,750 00 21,510 00	21 75 21 51	1,656 00 240 00	7 61
PREFERREDPLUS TR 6 00% PFD SER GSC3		1,000 000	21,000 00 21,600 00	21 00 21 60	1,500 00 600 00-	7 14
** Total Preferred Stock		Sub-Total	109,080.00 104,550.00		8,531.00 4,530.00	7.82
Mutual Funds						
ISHARES MSCI SINGAPORE	EWS	500 000	5,745 00 4,602 66	11 49 9 21	257 00 1,142 34	4 47
ISHARES MSCI JAPAN INDEX FD	EWJ	500 000	4,870 00 4,689 12	9 74 9 38	88 00 180 88	1 81
ISHARES MSCI HONG KONG	EWH	400 000	6,264 00 5,329 40	15 66 13 32	166 40 934 60	2 66
ISHARES S&P 100 INDEX FUND	OEF	700 000	36,015 00 30,591 38	51 45 43 70	744 10 5,423 62	2 07
ISHARES DJ SELECT DIVIDEND	DVY	1,000 000	43,910 00 37,277 36	43 91 37 28	1,725 00 6,632 64	3 93
ISHARES MSCI EMERGING MKT INDEX	EEM	400 000	16,600 00 12,687 50	41 50 31 72	9 60 3,912 50	0 06
ISHARES MSCI EAFE INDEX FD	EFA	400 000	22,112 00 18,343 13	55 28 45 86	576 40 3,768 87	2 61

Investment Detail (Continued)

Description	Ticker	Shares	Total Market/ Total Cost	Market Price/ Cost Price	Est Annual Inc / Unreal Gain / Loss	Current Yield
Mutual Funds						
ISHARES RUSSELL MIDCAP VALUE	IWS	900 000	33,255 00 26,801 46	36 95 29 78	695 70 6,453 54	2 09
ISHARES RUSSELL 1000 GROWTH	IWF	1,000 000	49,850 00 40,607 53	49 85 40 61	794 00 9,242 47	1 59
ISHARES RUSSELL 2000 VALUE	IWN	300 000	17,412 00 14,520 87	58 04 48 40	452 10 2,891.13	2 60
ISHARES RUSSELL 2000 GROWTH	IWO	300 000	20,421 00 16,486 48	68 07 54 95	170 70 3,934 52	0 84
MIDCAP SPDR TRUST SER 1		150 000	19,761 00 15,928 15	131 74 106 19	292 95 3,832 85	1 48
SPDR GOLD TRUST	GLD	400 000	42,924 00 36,112 00	107 31 90 28	 6,812 00	
SPDR S&P BIOTECH	XBI	200 000	10,728.00 9,545 98	53 64 47 73	1 40 1,182 02	0 01
SPDR FINANCIAL SELECT SECTOR	XLF	1,000 000	14,400.00 12,814 05	14 40 12 81	209 00 1,585 95	1 45
** Total Mutual Funds		Sub-Total	344,267.00 286,337.07		6,182.35 57,929.93	1.80
* Total Equities - Other			453,347.00 390,887.07		14,713.35 62,459.93	3.25

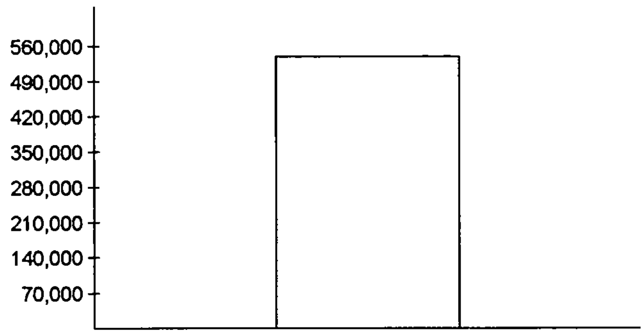
Bond Quality Summary



S & P Quality Rating	Market Value	Percent
AA+	37,208 15	6 5%
AA	15,736 95	2 7%
A+	75,436 90	13 1%
A	226,006 90	39 2%
A-	74,791 85	13 0%
BBB	36,394 75	6 3%
BBB-	110,741.75	19 2%
Total	576,317 25	100 0%

Investment Detail (Continued)

Bond Maturity Summary



Years To Maturity	Par Value	Percent
LESS THAN 5 YEARS	540, 000 00	100 0%
Total	540, 000 00	100 0%

Average Time To Maturity: 2.6 Years

Current Yield: 5.50%

Description	Rating	Par Value	Total Market/ Total Cost	Market Price/ Cost Price	Est Annual Inc / Unreal Gain / Loss	Yield Current/ Maturity
Fixed Income						
Corporate Bonds						
AT&T CORP VAR 7 3% 11/15/2011	A	35,000 000	38,537 45 38,625 30	110 11 110 36	2,555 00 87 85-	6 63 1 44
ALCOA INC 7 375% 08/01/2010	BBB-	35,000 000	36,106 00 36,190 00	103 16 103 40	2,581 25 84 00-	7 15 1 14
ALLIED WASTE NORTH AMER INC 6 5% 11/15/2010	BBB	35,000 000	36,394 75 35,883 75	103 99 102 53	2,275 00 511 00	6 25 0 96
AMGEN INC 4 85% 11/18/2014	A+	35,000 000	37,680 30 36,890 00	107 66 105 40	1,697 50 790 30	4 51 2 75
BANK ONE CORP 7 875% 08/01/2010	A	35,000 000	36,490 65 37,025 45	104 26 105 79	2,756 25 534 80-	7 55 0 73
BELLSOUTH CORP 5 2% 09/15/2014	A	35,000 000	37,484 65 37,625 00	107 10 107 50	1,820 00 140 35-	4 86 3 10
CATERPILLAR FINL SVCS CORP 6 125% 02/17/2014	A	35,000 000	39,113 90 36,835 75	111 75 105 25	2,143 75 2,278 15	5 48 2 75
COSTCO WHOLESALE 5 3% 03/15/2012	A+	35,000 000	37,756 60 37,809 45	107 88 108 03	1,855 00 52 85-	4 91 1 36
DOW CHEMICAL CO 6% 10/01/2012	BBB-	35,000 000	37,649 85 34,956 25	107 57 99 88	2,100 00 2,693 60	5 58 2 47
GENERAL ELEC CAP CORP 5 45% 01/15/2013	AA+	35,000 000	37,208 15 35,743 05	106 31 102 12	1,907 50 1,465 10	5 13 2 62
KRAFT FOODS INC 5 25% 10/01/2013	BBB-	35,000 000	36,985 90 36,789 55	105 67 105 11	1,837 50 196 35	4 97 2 85

Investment Detail (Continued)

Description	Rating	Par Value	Total Market/ Total Cost	Market Price/ Cost Price	Est Annual Inc / Unreal Gain / Loss	Yield Current/ Maturity
Corporate Bonds						
MORGAN STANLEY 5 05% 01/21/2011	A	35,000 000	36,301 65 35,787 50	103 72 102 25	1,767 50 514 15	4 87 1 07
NYSE EURONEXT 4 8% 06/28/2013	AA	15,000 000	15,736 95 15,675 00	104 91 104 50	720 00 61 95	4 58 2 39
PECO ENERGY CO 4 75% 10/01/2012	A-	35,000 000	37,322 60 36,508 50	106 64 104 31	1,662 50 814 10	4 45 1 91
**** Total Corporate Bonds**		**Sub-Total**	500,769.40 492,344.55		27,678.75 8,424.85	5.53
Foreign Bds, Notes & Debentures						
CONOCO FUNDING CO 6 35% 10/15/2011	A	35,000 000	38,078 60 38,281 25	108 80 109 38	2,222 50 202 65-	5 84 1 18
DIAGEO 5 2% 01/30/2013	A-	35,000 000	37,469 25 36,815 80	107 06 105 19	1,820 00 653.45	4 86 2 14
**** Total Foreign Bds, Notes & Debentures**		**Sub-Total**	75,547.85 75,097.05		4,042.50 450.80	5.35
*** Total Fixed Income**			576,317.25 567,441.60		31,721.25 8,875.65	5.50
Total Principal Assets			1,315,400.80 1,226,897.68		50,787.87 88,503.12	3.86
Total Income Assets			23,914.83 23,914.83		0.00 0.00	0.00
Grand Total Assets			1,339,315.63 1,250,812.51		50,787.87 88,503.12	3.79