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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 , 2009, 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.

HAYDEN-HARMAN FOUNDATION
P. O. BOX 1762
BURLINGTON, NC 27216-1762

A Employer identification number: 56-2180022

B Telephone number (see the instructions): (336) 227-2659

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 [X] Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, column (c), line 16) ► $ 10,006,647.

J Accounting method: [X] 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) (see 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 (att sch)				
	2 Ck ► [X] if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	33,108.	33,108.	33,108.	
	4 Dividends and interest from securities	535,652.	535,652.	535,652.	
	5a Gross rents				
	b Net rental income or (loss)		Statement 1		
	6a Net gain/(loss) from sale of assets not on line 10	-13,717.			
	b Gross sales price for all assets on line 6a 2510668.				
	7 Capital gain net income (from Part IV, line 2)		0.		
	8 Net short-term capital gain			2,159.	
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit/(loss) (att sch)				
	11 Other income (attach schedule) See Statement 2	356.		356.	
	12 **Total.** Add lines 1 through 11	555,399.	568,760.	571,275.	
OPERATING AND ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc	105,800.			51,480.
	14 Other employee salaries and wages	9,890.			2,473.
	15 Pension plans, employee benefits	9,382.			4,809.
	16a Legal fees (attach schedule) See St 3	12,031.			3,008.
	b Accounting fees (attach sch) See St 4	1,465.			366.
	c Other prof fees (attach sch)				
	17 Interest				
	18 Taxes (attach schedule)(see instr) See Stm 5	17,042.			2,354.
	19 Depreciation (attach sch) and depletion	9,589.			
	20 Occupancy	4,937.			1,234.
	21 Travel, conferences, and meetings	6,161.			6,161.
	22 Printing and publications				
	23 Other expenses (attach schedule) See Statement 6	60,883.			47,648.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	237,180.			119,533.
	25 Contributions, gifts, grants paid Stmt 7	421,951.			421,951.
	26 **Total expenses and disbursements.** Add lines 24 and 25	659,131.	0.	0.	541,484.
	27 Subtract line 26 from line 12:				
	a **Excess of revenue over expenses and disbursements**	-103,732.			
	b **Net investment income** (if negative, enter -0-)		568,760.		
	c **Adjusted net income** (if negative, enter -0-)			571,275.	

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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	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash — non-interest-bearing	22,610.	64,027.	64,027.
	2 Savings and temporary cash investments	1,030,003.	997,245.	997,245.
	3 Accounts receivable ► 100,000.			
	Less: allowance for doubtful accounts ►	10,000.	100,000.	100,000.
	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 the instructions)			
	7 Other notes and loans receivable (attach sch) ►			
	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 (attach schedule)			
	b Investments — corporate stock (attach schedule) Statement 8	10,106,532.	10,103,402.	8,343,379.
	c Investments — corporate bonds (attach schedule)			
	11 Investments — land, buildings, and equipment: basis ► 268,398.			
	Less: accumulated depreciation (attach schedule) See Stmt 9 ►	469,671.	268,398.	268,398.
	12 Investments — mortgage loans			
	13 Investments — other (attach schedule)			
	14 Land, buildings, and equipment: basis ► 302,411.			
	Less: accumulated depreciation (attach schedule) See Stmt 10 ► 68,813.	231,586.	233,598.	233,598.
	15 Other assets (describe ►)			
	16 **Total assets** (to be completed by all filers — see instructions. Also, see page 1, item I)	11,870,402.	11,766,670.	10,006,647.
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ►)			
	23 **Total liabilities** (add lines 17 through 22)	0.	0.	
NET ASSETS OR FUND BALANCES	**Foundations that follow SFAS 117, check here ► ☐ 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	11,870,402.	11,766,670.	
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 **Total net assets or fund balances** (see the instructions)	11,870,402.	11,766,670.	
	31 **Total liabilities and net assets/fund balances** (see the instructions)	11,870,402.	11,766,670.	

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	11,870,402.
2	Enter amount from Part I, line 27a	2	-103,732.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	11,766,670.
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	11,766,670.

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 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a	1250sh Washington Mutual	P	Various	6/10/09
b	300sh Dow Chemical	P	Various	10/15/09
c	700sh Bristol Myers Squibb	P	2/19/08	11/30/09
d	100sh Lexcom	P	9/28/04	12/18/09
e	200sh Lexcom	P	5/09/07	12/18/09

	(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	116.		25,643.	-25,527.
b	7,943.		5,784.	2,159.
c	17,549.		16,550.	999.
d	7,996.		4,280.	3,716.
e	16,791.		11,855.	4,936.

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

	(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
a				-25,527.
b				2,159.
c				999.
d				3,716.
e				4,936.

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	-13,717.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see the instructions). If (loss), enter -0- in Part I, line 8	3	2,159.

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2008	292,130.	9,413,639.	0.031033
2007	508,044.	10,196,710.	0.049824
2006	529,750.	9,221,365.	0.057448
2005	479,171.	11,171,553.	0.042892
2004	490,141.	11,927,966.	0.041092

2	**Total** of line 1, column (d)	2	0.222289
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	0.044458
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5.	4	8,800,546.
5	Multiply line 4 by line 3	5	391,255.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	5,688.
7	Add lines 5 and 6	7	396,943.
8	Enter qualifying distributions from Part XII, line 4	8	641,484.

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

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

1 a	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 instr.)		
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	5,688.
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (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	5,688.
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	5,688.
6	Credits/Payments:		
a	2009 estimated tax pmts and 2008 overpayment credited to 2009 — 6a: 12,000.		
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	12,000.
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	0.
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ►	10	6,312.
11	Enter the amount of line 10 to be: **Credited to 2010 estimated tax** ► 6,312. **Refunded** ►	11	0.

Part VII-A Statements Regarding Activities

			Yes	No
1 a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see 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 ► $ 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
4 a	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?	4b	N/A	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If 'Yes,' attach the statement required by General Instruction T*	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, column (c), and Part XV*	7	X	
8 a	Enter the states to which the foundation reports or with which it is registered (see the instructions) ► N/A			
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 ► WWW.GUIDESTAR.ORG

14 The books are in care of ► Pat Harman Telephone no. ► (336) 288-9138

Located at ► P. O. Box 1762; Burlington, NC ZIP + 4 ► 27216-1762

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** – Check here N/A ► ☐

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 the instructions)?	1b	N/A	
	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 ► 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 the instructions.)	2b	N/A	
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ► 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? ☐ 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	N/A	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4b		X

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see 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 instructions)? **5b** N/A

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

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

If 'Yes' to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? **7b** N/A

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 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
J PATRICK HARMAN P. O. Box 1762 BURLINGTON, NC 27216-1762	President 20.00	10,000.	0.	0.
DAVID L HARMAN P. O. Box 1762 Burlington, NC 27216-1762	Vice Preside 10.00	5,000.	0.	0.
PATRICK H HARMAN P. O. Box 1762 Burlington, NC 27216-1762	Vice Preside 40.00	85,800.	0.	0.
PHOEBE N HARMAN P. O. Box 1762 BURLINGTON, NC 27216-1762	Secretary/Tr 10.00	5,000.	0.	0.

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

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

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

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

3 Five highest-paid independent contractors for professional services – (see instructions). If none, enter 'NONE.'

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
None		
Total number of others receiving over $50,000 for professional services	►	0

Part IX-A Summary of Direct Charitable Activities

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

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 See Statement 11	100,000.
2	
All other program-related investments. See instructions. 3	
Total. Add lines 1 through 3 ►	100,000.

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	7,550,897.
b	Average of monthly cash balances	1b	947,541.
c	Fair market value of all other assets (see instructions)	1c	436,126.
d	**Total** (add lines 1a, b, and c)	1d	8,934,564.
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	8,934,564.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	134,018.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	8,800,546.
6	**Minimum investment return.** Enter 5% of line 5	6	440,027.

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	440,027.
2a	Tax on investment income for 2009 from Part VI, line 5 — 2a: 5,688.		
b	Income tax for 2009. (This does not include the tax from Part VI.) — 2b:		
c	Add lines 2a and 2b	2c	5,688.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	434,339.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	434,339.
6	Deduction from distributable amount (see instructions)	6	
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	434,339.

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	541,484.
b	Program-related investments — total from Part IX-B	1b	100,000.
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	641,484.
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 instructions)	5	5,688.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	635,796.

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				434,339.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			273,859.	
b Total for prior years: 20___, 20___, 20___		0.		
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	0.			
4 Qualifying distributions for 2009 from Part XII, line 4: ► $ 641,484.				
a Applied to 2008, but not more than line 2a			273,859.	
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				367,625.
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).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount – see instructions		0.		
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount – see instructions			0.	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				66,714.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see instructions)	0.			
9 **Excess distributions carryover to 2010.** Subtract lines 7 and 8 from line 6a	0.			
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 instructions and Part VII-A, question 9) N/A

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

Part XV Supplementary Information (Complete this part only if the organization had $5,000 or more in assets at any time during the year — see 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 ► [X] if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc, (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

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

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient 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*				
Total			► 3a	
b *Approved for future payment*				
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		
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	(e) Related or exempt function income (see the instructions)
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					33,108.
4 Dividends and interest from securities					535,652.
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					-13,717.
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a SOLAR POWER ENERGY SOLD		356.			
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		356.			555,043.

13 **Total.** Add line 12, columns (b), (d), and (e) . . . . . . 13 555,399.

(See worksheet in the instructions for line 13 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 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

► J. Patrick Harman | 5/11/10 | ► President

Signature of officer or trustee | Date | Title

Paid Preparer's Use Only

Preparer's signature ► Chris Jones CFP CPA	Date 5/4/10	Check if self-employed ► ☐ Preparer's Identifying number (See Signature in the instrs) N/A
Firm's name (or yours if self-employed), address, and ZIP code ► Christopher Jones, CFP CPA PA, 100 East Lake Drive, Greensboro, NC 27403		EIN ► N/A
		Phone no ► (336) 379-0300

Statement 1
Form 990-PF, Part I, Line 6a
Net Gain (Loss) from Noninventory Sales Per Books
Assets Not Included in Part IV

Description:	LAND
Date Acquired:	2/29/2008
How Acquired:	Donated
Date Sold:	11/01/2009
To Whom Sold:	
Gross Sales Price:	201,273.
Cost or Other Basis:	201,273.
Basis Method:	Cost
Depreciation:	-1.

Gain (Loss)	0.
Total	$ 0.

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

	(a) Revenue per Books	(b) Net Investment Income	(c) Adjusted Net Income
SOLAR POWER ENERGY SOLD	$ 356.		
Total	$ 356.	$ 0.	$ 0.

Statement 3
Form 990-PF, Part I, Line 16a
Legal Fees

	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Legal Fees	$ 12,031.			$ 3,008.
Total	$ 12,031.	$ 0.	$ 0.	$ 3,008.

Statement 4
Form 990-PF, Part I, Line 16b
Accounting Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Accounting Fees	$ 1,465.			$ 366.
Total	$ 1,465.	$ 0.	$ 0.	$ 366.

Statement 5
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
ESTIMATED EXCISE TAX	$ 7,628.			
PROPERTY TAX	9,414.			$ 2,354.
Total	$ 17,042.	$ 0.	$ 0.	$ 2,354.

Statement 6
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
DUES & SUBSCRIPTIONS.	$ 3,140.			$ 785.
DUES-DONATIONS	1,500.			1,500.
ED PRGM EXP	41,734.			41,734.
EDUCATION EXP	3,813.			953.
INSURANCE	3,304.			826.
OFFICE SUPPLIES	3,630.			908.
OTHER EXPENSES	392.			99.
TELEPHONE	3,370.			843.
Total	$ 60,883.	$ 0.	$ 0.	$ 47,648.

Statement 7
Form 990-PF, Part I, Line 25
Contributions, Gifts, and Grants

Cash Grants and Allocations

Class of Activity:	VARIOUS	
Donee's Name:	SEE ATTACHED SCHEDULE	
Donee's Address:	VARIOUS VARIOUS, NC	
Relationship of Donee:		
Organizational Status of Donee:		
Amount Given:		$ 421,951.
	Total	$ 421,951.

Statement 8
Form 990-PF, Part II, Line 10b
Investments - Corporate Stocks

Corporate Stocks	Valuation Method	Book Value	Fair Market Value
Securities	Cost	$ 10,103,402.	$ 8,343,379.
	Total	$ 10,103,402.	$ 8,343,379.

Statement 9
Form 990-PF, Part II, Line 11
Investments - Land, Buildings, and Equipment

Category	Basis	Accum. Deprec.	Book Value	Fair Market Value
Land	$ 268,398.		$ 268,398.	$ 268,398.
Total	$ 268,398.	$ 0.	$ 268,398.	$ 268,398.

Statement 10
Form 990-PF, Part II, Line 14
Land, Buildings, and Equipment

Category	Basis	Accum. Deprec.	Book Value	Fair Market Value
Furniture and Fixtures	$ 19,475.	$ 8,972.	$ 10,503.	$ 10,503.
Machinery and Equipment	25,025.	7,403.	17,622.	17,622.
Buildings	209,118.	44,910.	164,208.	164,208.
Land	40,224.		40,224.	40,224.
Miscellaneous	8,569.	7,528.	1,041.	1,041.
Total	$ 302,411.	$ 68,813.	$ 233,598.	$ 233,598.

Statement 11
Form 990-PF, Part IX-B, Line 1
Summary of Program-Related Investments

Company Shops Market, PO Box 848, Burlington, NC 27216, to combat community deterioration both in Burlington and in rural parts of Alamance County, to mitigate environmental degradation in Alamance County and surrounding regions, to preserve local food traditions, to improve public health in Burlington, and to assist efforts to build local, sustainable small businesses and relive economicially depressed areas of Burlington.

All of the members of the board of directors serve without compensation for their duties on the board.

2009 Grant Recipients

Disbursement for 2009: $421,951.24

Organization	Amount	Purpose	Federal ID
Alexander Wilson Elementary Newlin Elementary B. Everett Jordan Elementary Smith Elementary Sylvan Elementary E M Holt	$330 $360 $97 $240 $220 $331.24	For books for kindergarteners	Public Schools
Loaves and Fishes	$32,600	For general operating support	56-0615203
Positive Attitude Youth Center	$26,300	For a capital campaign, scholarships, and the Christmas store	56-1913994
City of High Point	$15,000	For the Core City project	Municipality
High Point Public Library Foundation	$20,000	For the World of Adventure entrance to the Children's Area	20-3093411
High Point Historical Society	$5,000	For support of the furniture exhibit	56-6093205
North Carolina Network of Grantmakers	$1,000	For general operating support	58-1661700
Doll and Miniature Museum	$15,000	For general operating support	56-2146365
Alamance Citizens for Education	$10,000	For the dictionary project and youth leadership project	56-1810669
I Am Now	$10,000	For general operating support	02-0800816
Alamance Partnership for Children	$4,300	For the Imagination Library project and general support	56-1884459
Closing the Gap Education Fund	$3,000	For the close the achievement gap program	56-1957903
Sustainable Alamance	$4,000	For general operating support	26-3294877
United Way of Greater High Point	$3,000	For general operating support	56-0547486
Alamance Community College Foundation	$10,000	For scholarships	58-1511004
United Way of Alamance County	$5,000	For support of the Non-profit Resource Center	56-0599239
ARMC Foundation	$10,000	For the Pink Ribbon and Hope for the Cure projects	58-1681560
Crossroads	$1,500	For general operating support	56-1550998
Salvation Army Boys and Girls Club	$500	For general operating support	58-0660607
American Red Cross	$1,000	For general operating support	56-6000021
Allied Churches of Alamance County	$1,000	For general operating support	56-1553388
NAMI Alamance-Caswell-Rockingham	$1,000	For general operating support	43-1201653
City of Burlington	$5,000	For swimming lessons	Municipality
Christmas Cheer	$2,500	For general operating support and fundraising support	31-1645511
High Point Community Against Violence	$4,000	For general operating support	20-05992204
Newlin Elementary	$800	For the Ready to Read program	Public School
Guilford Nonprofit Consortium	$5,000	For the Nonprofit Management Institute	56-1380249
City of Graham	$201,273	Real property for the Children's Museum	Municipality
Open Door Dental Clinic	$5,000	For general operating support	11-3680054
Open Door Ministries	$600	For general operating support	56-1576543
Gifts for Kids	$5,000	For the Gifts for Kids program	58-0660607
High Point Historical Society	$12,000	For a strategic plan	56-6093205
Total Given	**$421,951.24**		