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

2009

Department of the Treasury
Internal Revenue Service

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

For calendar year **2009**, or tax year beginning **2009**, and ending **2009**

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 Daelansa Foundation	A Employer identification number 58-1577718
	Number and street (or P O box number if mail is not delivered to street address) Room/suite 428 McCallie Avenue	B Telephone number (see the instructions) (423) 756-5880
	City or town State ZIP code Chattanooga, TN 37402	C If exemption application is pending, check here <input type="checkbox"/> D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization. <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ 1,924,555.		

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)
1	Contributions, gifts, grants, etc. received (att sch)				
2	CK <input type="checkbox"/> if the foundn is not req to att Sch B				
3	Interest on savings and temporary cash investments	159.	159.	159.	
4	Dividends and interest from securities	56,190.	56,190.	56,190.	
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain/(loss) from sale of assets not on line 10				
b	Gross sales price for all assets on line 6a				
7	Capital gain net income (from Part IV, line 2)		0.		
8	Net short-term capital gain			0.	
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit/(loss) (att sch)				
11	Other income (attach schedule)				
12	Total. Add lines 1 through 11	56,349.	56,349.	56,349.	
13	Compensation of officers, directors, trustees, etc	6,000.	3,000.	3,000.	3,000.
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)				
b	Accounting fees (attach sch)				
c	Other prof fees (attach sch)				
17	Interest				
18	Taxes (attach schedule)(see instr)	474.			
19	Depreciation (attach sch) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (attach schedule) See Line 23 Stmt	5,936.	5,936.	5,936.	
24	Total operating and administrative expenses. Add lines 13 through 23	12,410.	8,936.	8,936.	3,000.
25	Contributions, gifts, grants paid	87,000.			87,000.
26	Total expenses and disbursements. Add lines 24 and 25	99,410.	8,936.	8,936.	90,000.
27	Subtract line 26 from line 12:				
a	Excess of revenue over expenses and disbursements	-43,061.			
b	Net investment income (if negative, enter -0-)		47,413.		
c	Adjusted net income (if negative, enter -0-)			47,413.	

SCANNED JUN 29 2010

ADMINISTRATIVE AND OPERATING EXPENSES

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)			
		Beginning of year (a) Book Value	End of year (b) Book Value (c) Fair Market Value		
ASSETS	1	Cash – non-interest-bearing			
	2	Savings and temporary cash investments	706,275.	337,040.	337,040.
	3	Accounts receivable			
		Less: allowance for doubtful accounts			
	4	Pledges receivable			
		Less: allowance for doubtful accounts			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see 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		1.	1.
	10a	Investments – U.S. and state government obligations (attach schedule) L-10a Stmt	655,421.	179,619.	179,619.
	b	Investments – corporate stock (attach schedule) L-10b Stmt	605,292.	1,352,397.	1,356,629.
	c	Investments – corporate bonds (attach schedule) L-10c Stmt	100,000.	100,000.	51,176.
	11	Investments – land, buildings, and equipment basis			
	Less: accumulated depreciation (attach schedule)				
12	Investments – mortgage loans				
13	Investments – other (attach schedule) L-13 Stmt.				
14	Land, buildings, and equipment, basis				
	Less: accumulated depreciation (attach schedule)				
15	Other assets (describe L-15 Stmt)	2,974.	90.	90.	
16	Total assets (to be completed by all filers – see instructions. Also, see page 1, item I)	2,069,962.	1,969,147.	1,924,555.	
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 TAXES PAYABLE)			
	23	Total liabilities (add lines 17 through 22)			
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>				
	27	Capital stock, trust principal, or current funds	1,326,582.	1,326,582.	
	28	Paid-in or capital surplus, or land, building, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	743,380.	642,565.	
30	Total net assets or fund balances (see the instructions)	2,069,962.	1,969,147.		
31	Total liabilities and net assets/fund balances (see the instructions)	2,069,962.	1,969,147.		

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	2,069,962.
2	Enter amount from Part I, line 27a	2	-43,061.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	2,026,901.
5	Decreases not included in line 2 (itemize) Long Term Losses	5	57,754.
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	1,969,147.

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 SECURITIES	P	Various	Various
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 2,416,559.		2,474,313.	-57,754.
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(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	
a			-57,754.
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	-57,754.
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	

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	108,918.	2,086,469.	0.052202
2007	88,539.	2,346,417.	0.037734
2006	89,089.	2,283,958.	0.039006
2005	123,128.	2,260,968.	0.054458
2004	123,928.	2,295,078.	0.053997

2 Total of line 1, column (d)	2	0.237397
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	0.047479
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	1,841,359.
5 Multiply line 4 by line 3	5	87,426.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	474.
7 Add lines 5 and 6	7	87,900.
8 Enter qualifying distributions from Part XII, line 4	8	90,000.

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 <input type="checkbox"/> and enter 'N/A' on line 1. Date of ruling or determination letter: <u>na</u> (attach copy of letter if necessary - see instr.)		
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	474.
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	474.
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	474.
6 Credits/Payments:		
a 2009 estimated tax pmts and 2008 overpayment credited to 2009	6 a	
b Exempt foreign organizations -- tax withheld at source	6 b	563.
c Tax paid with application for extension of time to file (Form 8868)	6 c	
d Backup withholding erroneously withheld	6 d	
7 Total credits and payments. Add lines 6a through 6d	7	563.
8 Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> 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	89.
11 Enter the amount of line 10 to be: Credited to 2010 estimated tax 89. Refunded	11	

Part VII-A Statements Regarding Activities

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

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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)?

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?

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d). Yes No

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

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

If 'Yes' to 6b, file Form 8870

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

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No

5b		
6b		X
7b		

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

1 List all officers, directors, trustees, foundation managers and their compensation (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
SEE STATEMENT 1 SEE STATE TN 37402	SEE #1	0.00	6,000.	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				
0				
0				
0				
0				

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

None

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		None
NONE		
None TN 37402		

Total number of others receiving over \$50,000 for professional services ▶ None

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 NONE	
2	
3 All other program-related investments. See instructions.	

Total. Add lines 1 through 3 ▶

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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	1,694,190.
b Average of monthly cash balances	1b	175,210.
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	1,869,400.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2 Acquisition indebtedness applicable to line 1 assets	2	
3 Subtract line 2 from line 1d	3	1,869,400.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	28,041.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,841,359.
6 Minimum investment return. Enter 5% of line 5	6	92,068.

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	92,068.
2a Tax on investment income for 2009 from Part VI, line 5	2a	474.
b Income tax for 2009 (This does not include the tax from Part VI)	2b	
c Add lines 2a and 2b	2c	474.
3 Distributable amount before adjustments Subtract line 2c from line 1	3	91,594.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	91,594.
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	91,594.

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	90,000.
b Program-related investments – total from Part IX-B	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	90,000.
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	474.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	89,526.

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				91,594.
2 Undistributed income, if any, as of the end of 2009:				
a Enter amount for 2008 only			0.	
b Total for prior years: 20__, 20__, 20__				
3 Excess distributions carryover, if any, to 2009:				
a From 2004	44,983.			
b From 2005	22,181.			
c From 2006	0.			
d From 2007	0.			
e From 2008	5,332.			
f Total of lines 3a through e	72,496.			
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ \$ 90,000.				
a Applied to 2008, but not more than line 2a				
b Applied to undistributed income of prior years (Election required — see instructions)				
c Treated as distributions out of corpus (Election required — see instructions)				
d Applied to 2009 distributable amount				47,011.
e Remaining amount distributed out of corpus	42,989.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))	44,983.			44,583.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e. Subtract line 5	70,502.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount — see 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				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	70,502.			
10 Analysis of line 9				
a Excess from 2005	22,181.			
b Excess from 2006	0.			
c Excess from 2007	0.			
d Excess from 2008	5,332.			
e Excess from 2009	42,989.			

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)

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

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

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

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

Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc, (see 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.
None

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:
None

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
<p>a Paid during the year</p> <p>SEE STATEMENT 2</p> <p>0</p> <p>SEE STATEMENT TN 0</p>		NA	NA	
Total				▶ 3a 87,000.
b Approved for future payment				
Total				▶ 3b

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ **Attach to Form 990, 990-EZ, or 990-PF**

OMB No 1545-0047

2009

Name of the organization

Daelansa Foundation

Employer identification number

58-1577718

Organization type (check one).

Filers of:

Form 990 or 990-EZ

Section:

- 501(c)(____) (enter number) organization
- 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
- 527 political organization

Form 990-PF

- 501(c)(3) exempt private foundation
- 4947(a)(1) nonexempt charitable trust treated as a private foundation
- 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule –

- For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules –

- For a section 501(c)(3) organization filing Form 990 or 990-EZ, that met the 33-1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ, that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ, that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc, purposes, but these contributions did not aggregate to more than \$1,000 If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc, purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc, contributions of \$5,000 or more during the year. . . . ▶ \$ _____

Caution: An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF) but it **must** answer 'No' on Part IV, line 2 of their Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

BAA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990, 990EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2009)

GRANTS AND CONTRIBUTIONS
PAID DURING THE YEAR

RECIPIENT NAME AND ADDRESS	RECIPIENT STATUS	PURPOSE OF GRANT	RECIPIENT RELATIONSHIP	AMOUNT
GIRLS PREPARATORY SCHOOL CHATTANOOGA, TENNESSEE	PUBLIC FOUNDATION	UNRESTRICTED GRANT	NONE	5,000.00
UNITED WAY OF CHATTANOOGA CHATTANOOGA, TN	PUBLIC FOUNDATION	UNRESTRICTED GRANT	NONE	10,000.00
CONTACT OF CHATTANOOGA CHATTANOOGA, TN	PUBLIC FOUNDATION	UNRESTRICTED GRANT	NONE	3,500.00
METHODIST HEALTH CARE FD. MEMPHIS, TN	PUBLIC FOUNDATION	UNRESTRICTED GRANT	NONE	5,000.00
TOWN OF PALM BEACH UNITED WAY PALM BEACH, FL	PUBLIC FOUNDATION	UNRESTRICTED GRANT	NONE	15,000.00
ST. MARY'S SCHOOL PALM BEACH, FL	PUBLIC FOUNDATION	UNRESTRICTED GRANT	NONE	1,000.00
MUS THORN SOCIETY MEMPHIS, TN	PUBLIC FOUNDATION	UNRESTRICTED GRANT	NONE	1,100.00
BETHESDA BY THE SEA EPISCOPAL CHURCH PALM BEACH, FL	PUBLIC FOUNDATION	UNRESTRICTED GRANT	NONE	5,000.00
THE HANLEY CENTER PALM BEACH, FL	PUBLIC FOUNDATION	UNRESTRICTED GRANT	NONE	5,000.00
THE HARWOOD FOUNDATION MEMPHIS, TENNESSEE	PUBLIC FOUNDATION	UNRESTRICTED GRANT	NONE	400.00
BOY SCOUTS OF AMERICA MEMPHIS, TN	PUBLIC FOUNDATION	UNRESTRICTED GRANT	NONE	1,000.00
UMAA FOUNDATION MEMPHIS, TN	PUBLIC FOUNDATION	UNRESTRICTED GRANT	NONE	2,600.00
OLIVE BRANCH FUND MEMPHIS, TN	PUBLIC FOUNDATION	UNRESTRICTED GRANT	NONE	500.00
METHODIST NEUROLOGICAL INST. MEMPHIS, TN	PUBLIC FOUNDATION	UNRESTRICTED GRANT	NONE	500.00
KADIMA MEMPHIS JEWISH HIGH S. MEMPHIS, TN	PUBLIC FOUNDATION	UNRESTRICTED GRANT	NONE	1,500.00

- DAELANSA FOUNDATION

58-1577718

FORM 990PF

2009

STATEMENT 2

RECIPIENT AND ADDRESS	RECIPIENT STATUS	PURPOSE OF GRANT	RECIPIENT RELATIONSHIP	AMOUNT
THE TIFFANY AND REBEKAH PATERSON SCHOLARSHIP FUND MEMPHIS, TENNESSEE	PUBLIC FOUNDATION	UNRESTRICTED GRANT	NONE	500.00
PRESBYTERIAN DAY SCHOOL MEMPHIS, TENNESSEE	PUBLIC FOUNDATION	UNRESTRICTED GRANT	NONE	1,000.00
ANN HUNDLEY HOOVER CHAIR MEMPHIS, TENNESSEE	PUBLIC FOUNDATION	UNRESTRICTED GRANT	NONE	5,000.00
SYNERGY MEMPHIS, TENNESSEE	PUBLIC FOUNDATION	UNRESTRICTED GRANT	NONE	5,000.00
GIRL'S INC. MEMPHIS, TENNESSEE	PUBLIC FOUNDATION	UNRESTRICTED GRANTS	NONE	3,500.00
HOPE HOUSE MEMPHIS, TENNESSEE	PUBLIC FOUNDATION	UNRESTRICTED GRANT	NONE	2,000.00
PORTER LEATH MEMPHIS, TENNESSEE	PUBLIC FOUNDATION	UNRESTRICTED GRANT	NONE	100.00
THE DIXON MUSEUM MEMPHIS, TENNESSEE	PUBLIC FOUNDATION	UNRESTRICTED GRANT	NONE	500.00
HOSPICE FOUNDATION OF PALM BEACH COUNTY PALM BEACH, FLORIDA	PUBLIC FOUNDATION	UNRESTRICTED GRANT	NONE	10,800.00
ROSARIAN ACADEMY PALM BEACH, FLORIDA	PUBLIC FOUNDATION	UNRESTRICTED GRANT	NONE	<u>1,500.00</u>
TOAL TO FORM 990-PF PART XV, LINE 3A				87,000.00

Form 990-PF, Page 1, Part I, Line 23

Line 23 Stmt

Other expenses:	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
Management Fees	5,609.	5,609.	5,609.	
Miscellaneous Expense	327.	327.	327.	
Total	<u>5,936.</u>	<u>5,936.</u>	<u>5,936.</u>	

Form 990-PF, Page 2, Part II, Line 10a

L-10a Stmt

Line 10a - Investments - US and State Government Obligations:	End of Year		End of Year	
	State and Local Obligations Book Value	State and Local Obligations FMV	US Government Obligations Book Value	US Government Obligations FMV
GNMA Pools			4,619.	4,619.
FHLMCS 5% Step 6/15/23				
FHLMC STEP UP 5% OF 12/15/20				
FHLMC 4.5% of 12/19/12				
FNMA STEP UP 4.25% OF 2018				
FHLB Step Up 5% 2011				
FHLMC Step Up 2019				
FHLMC Step Up 2015				
FNMA Various			175,000.	175,000.
Total			<u>179,619.</u>	<u>179,619.</u>

Form 990-PF, Page 2, Part II, Line 10b

L-10b Stmt

Line 10b - Investments - Corporate Stock:	End of Year	
	Book Value	Fair Market Value
ALLIANCE BERNSTEIN MANAGEMENT GROUP	778,996.	803,790.
AMERICAN INTERNATIONAL GROUP	16,517.	2,728.
Duke Energy Common	28,736.	21,444.
Vanguard TTL STK MKT Vipers	107,277.	124,014.
Spectra Energy	20,766.	12,777.
Wells Fargo Advisors	400,105.	391,876.
Total	<u>1,352,397.</u>	<u>1,356,629.</u>

Form 990-PF, Page 2, Part II, Line 10c

L-10c Stmt

Line 10c - Investments - Corporate Bonds:	End of Year	
	Book Value	Fair Market Value
Ford Motor Credit Co.	0.	0.
GMAC	100,000.	51,176.
LEHMAN BROS CD 6%	0.	0.
HOUSEHOLD FINANCE 4%	0.	0.

Form 990-PF, Page 2, Part II, Line 10c

Continued

L- 10c Stmt

Line 10c - Investments - Corporate Bonds:	End of Year	
	Book Value	Fair Market Value
Total	<u>100,000.</u>	<u>51,176.</u>

Form 990-PF, Page 2, Part II, Line 15

Other Assets Stmt

Line 15 - Other Assets:	Beginning Year Book Value	End of Year	
		Book Value	Fair Market Value
<u>Prepaid Taxes</u>	<u>2,974.</u>	<u>90.</u>	<u>90.</u>
Total	<u>2,974.</u>	<u>90.</u>	<u>90.</u>

FORM 990-PF

PART V111 - LIST OF OFFICERS, DIRECTORS
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 1

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
ANITA J. HAMILTON PALM BEACH, FL 33480	CO-CHAIRMAN. TRUSTEE	0.00	0.00	0.00
SARAH J. SHY MEMPHIS, TN 38111	CO-CHAIRMAN TRUSTEE	0.00	0.00	0.00
FRANK T. HAMILTON PALM BEACH, FL 33480	SECRETARY TRUSTEE	0.00	0.00	0.00
CARL J. ARNOLD CHATTANOOGA, TN 37415	MANAGER	6,000.	0.00	0.00
TOTALS INCLUDED ON 990-PF, PAGE 6, PART V111		<u>6,000.</u>	<u>0.00</u>	<u>0.00</u>

Proof of Publication

Hamilton County Herald

STATE OF TENNESSEE }
County of Hamilton } ss.

I, Don Bona, so solemnly swear that I am the Publisher of The Hamilton County Herald, a weekly newspaper published in Hamilton County, State of Tennessee; that I was Publisher of The Hamilton County Herald at and during the publication of the annexed legal advertisement in the matter of:

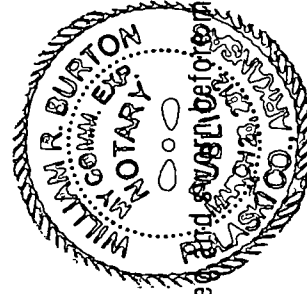
Daelansa Foundation 2009

Daelansa Foundation

NOTICE
The Annual Return (Form 990-PF) for the Daelansa Foundation, Inc. for the year ended December 31, 2009 is available for public inspection at the office of the principal manager at 428 McCallie Avenue, Chattanooga, Tennessee, 37402 during regular business hours by any citizen on request made within 180 days of the date of publication of this notice. The Foundation's principal manager is Carl J. Arnold and the telephone number is (423) 756-5880
HCH11T-57710

pending in the Court in said County, and at the dates of the several publications of said advertisement hereinafter stated, and that during said periods and at said dates, said newspaper was published and had a bona fide circulation in said County and State; that said newspaper had been regularly published in said County and State, and had a bona fide circulation therein for the period of one month before the date of the first publication of said advertisement; and that said advertisement was published in the regular weekly issues of said newspaper on the following days:

05/07/10



Don Bona

Publisher

Subscribed and published before me this 07th of May, 2010

William R. Burton

Notary Public

Cost of publication: \$20.00

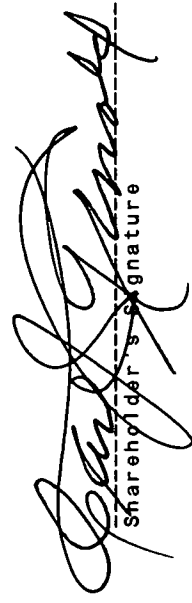
170062

Statement of Shareholder Receiving a Distribution of Stock

DAELANSA FOUNDATION (Account: 888-03184)

Statement of Shareowner
Receiving a Distribution of Stock
of Time Warner Cable Inc.
Filed Pursuant to Treasury Regulation Section 1.355-5(b)

1. The undersigned, a shareholder owning common stock of Time Warner Inc. as of March 12 2009, the record date, received a distribution on March 27 2009, from Time Warner Inc. shares of common stock of Time Warner Cable Inc., a corporation controlled by Time Warner Inc. to which Section 355 of the Internal Revenue code of 1986, as amended (the "Code"), applies.
2. The names and addresses of the corporations involved are:
 - (a) Time Warner Inc.
One Time Warner Center
New York, NY 10019
 - (b) Time Warner Cable Inc.
60 Columbus Circle
New York, NY 10023
3. The undersigned surrendered no stock or securities of Time Warner Inc. in the distribution.
4. The undersigned received 39 shares of common stock of Time Warner Cable Inc. in the distribution.
5. Time Warner Inc. has received a private letter ruling from the Internal Revenue Service to the effect that the distribution of shares of Time Warner Cable Inc. common stock qualifies as a tax-free distribution under section 355 of the Code.


Shareholder's Signature

Shareholder's Signature

*** ATTACH TO YOUR U.S. FEDERAL INCOME TAX RETURN FOR THE TAX PERIOD 2009 ***

24
Statement of Shareholder Receiving a Distribution of Stock

DAELANSA FOUNDATION (Account: 888-03184)

Statement of Shareowner
Receiving a Distribution of Stock
of AOL Inc.

Filed Pursuant to Treasury Regulation Section 1.355-5(b)

1. The undersigned, a shareholder owning common stock of Time Warner Inc. as of November 27 2009, the record date, received a distribution on December 09 2009, from Time Warner Inc. shares of common stock of AOL Inc., a corporation controlled by Time Warner Inc. to which Section 355 of the Internal Revenue code of 1986, as amended (the "Code"), applies.

2. The names and addresses of the corporations involved are:

(a) Time Warner Inc.
One Time Warner Center
New York, NY 10019

(b) AOL Inc.
770 Broadway
New York, NY 10003

3. The undersigned surrendered no stock or securities of Time Warner Inc. in the distribution.

4. The undersigned received 16 shares of common stock of AOL Inc. in the distribution.

5. Time Warner Inc. has received a private letter ruling from the Internal Revenue Service to the effect that the distribution of shares of AOL Inc. common stock qualifies as a tax-free distribution under section 355 of the Code.

Shareholder's Signature

Shareholder's Signature

*** ATTACH TO YOUR U.S. FEDERAL INCOME TAX RETURN FOR THE TAX PERIOD 2009 ***