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
ROTARY CHILDREN'S FOUNDATION, INC.
C/O RUSSELL LADD, III

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
POST OFFICE BOX 6989

City or town, state, and ZIP code
MOBILE, AL 36660

A Employer identification number 63-6045293

B Telephone number (251) 473-9000

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: [X] 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)* ▶$ 1,521,565.

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))	(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	36,736.		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	49,220.	49,220.		STATEMENT 1
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	<44,355.>			
b Gross sales price for all assets on line 6a 852,681.				
7 Capital gain net income (from Part IV, line 2)		0.		
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	41,601.	49,220.		
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 STMT 2	1,050.	0.		1,050.
c Other professional fees STMT 3	7,357.	7,357.		0.
17 Interest				
18 Taxes STMT 4	1,508.	52.		0.
19 Depreciation and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses				
24 **Total operating and administrative expenses.** Add lines 13 through 23	9,915.	7,409.		1,050.
25 Contributions, gifts, grants paid	86,600.			86,600.
26 **Total expenses and disbursements.** Add lines 24 and 25	96,515.	7,409.		87,650.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	<54,914.>			
b **Net investment income** (if negative, enter -0-)		41,811.		
c **Adjusted net income** (if negative, enter -0-)			N/A	

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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			
	2	Savings and temporary cash investments	78,120.	74,545.	74,545.
	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 STMT 5	604,617.	427,022.	441,971.
	b	Investments - corporate stock STMT 6	0.	371,960.	473,179.
	c	Investments - corporate bonds STMT 7	214,561.	320,072.	328,934.
	11	Investments - land, buildings, and equipment basis ▶			
		Less accumulated depreciation ▶			
	12	Investments - mortgage loans			
	13	Investments - other STMT 8	551,496.	200,974.	202,936.
	14	Land, buildings, and equipment: basis ▶			
		Less accumulated depreciation ▶			
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by all filers)	1,448,794.	1,394,573.	1,521,565.
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 ▶)			
	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	1,448,794.	1,394,573.	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29	Retained earnings, accumulated income, endowment, or other funds	0.	0.	
	30	**Total net assets or fund balances**	1,448,794.	1,394,573.	
	31	**Total liabilities and net assets/fund balances**	1,448,794.	1,394,573.	

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	1,448,794.
2	Enter amount from Part I, line 27a	2	<54,914.>
3	Other increases not included in line 2 (itemize) ▶ NET TIMING DIFFERENCE TAX / BOOK	3	693.
4	Add lines 1, 2, and 3	4	1,394,573.
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	1,394,573.

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 - LONG TERM LOSS	P	VARIOUS	/ /09
b	SCHEDULE ATTACHED - SHORT TERM GAIN	P	VARIOUS	/ /09
c	25,000 US TREASURY	P	04/04/07	03/31/09
d	CAPITAL GAINS DIVIDENDS			
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	557,250.		611,603.	<54,353.>
b	270,299.		260,475.	9,824.
c	25,000.		24,958.	42.
d	132.			132.
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				<54,353.>
b				9,824.
c				42.
d				132.
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** <44,355.>

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	90,963.	1,576,714.	.057692
2007	105,246.	1,669,069.	.063057
2006	100,556.	1,623,275.	.061946
2005	88,486.	1,592,270.	.055572
2004	102,186.	1,611,266.	.063420

2	**Total** of line 1, column (d)	2	.301687
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	.060337
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	1,446,092.
5	Multiply line 4 by line 3	5	87,253.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	418.
7	Add lines 5 and 6	7	87,671.
8	Enter qualifying distributions from Part XII, line 4	8	87,650.

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	836.
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	836.
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	836.
6	Credits/Payments:			
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a 1,160.		
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	1,160.
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	324.
11	Enter the amount of line 10 to be: **Credited to 2010 estimated tax** ▶ 324. **Refunded** ▶		11	0.

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)? *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*	1b		X
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) ▶ AL			
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

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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 ▶ N/A

14 The books are in care of ▶ REGIONS BANK TRUST DEPARTMENT Telephone no. ▶ (251) 690-1415
Located at ▶ 11 NORTH WATER ST., 28TH FL, MOBILE, AL ZIP+4 ▶ 36622

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
SEE STATEMENT 9		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

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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	1,231,567.
b	Average of monthly cash balances		1b	236,547.
c	Fair market value of all other assets		1c	
d	**Total** (add lines 1a, b, and c)		1d	1,468,114.
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	1,468,114.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	22,022.
5	**Net value of noncharitable-use assets** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	1,446,092.
6	**Minimum investment return.** Enter 5% of line 5		6	72,305.

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	72,305.
2a	Tax on investment income for 2009 from Part VI, line 5	2a 836.		
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b		
c	Add lines 2a and 2b		2c	836.
3	Distributable amount before adjustments. Subtract line 2c from line 1		3	71,469.
4	Recoveries of amounts treated as qualifying distributions		4	0.
5	Add lines 3 and 4		5	71,469.
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	71,469.

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	87,650.
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	87,650.
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	87,650.

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				71,469.
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 22,582.				
b From 2005 10,452.				
c From 2006 20,837.				
d From 2007 23,405.				
e From 2008 13,263.				
f **Total** of lines 3a through e	90,539.			
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ $ 87,650.				
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				71,469.
e Remaining amount distributed out of corpus	16,181.			
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	106,720.			
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	22,582.			
9 **Excess distributions carryover to 2010.** Subtract lines 7 and 8 from line 6a	84,138.			
10 Analysis of line 9:				
a Excess from 2005 10,452.				
b Excess from 2006 20,837.				
c Excess from 2007 23,405.				
d Excess from 2008 13,263.				
e Excess from 2009 16,181.				

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:

RUSSELL LADD, III, 251-473-9000
POST OFFICE BOX 6989, MOBILE, AL 36660

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

NO PRESCRIBED FORM

c Any submission deadlines:

SEPTEMBER 21

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
a *Paid during the year*				
SEE STATEMENT 10				
Total			▶ 3a	86,600.
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	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (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	49,220.	
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	<44,355.>	
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.		4,865.	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 4,865.

(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] Signature of officer or trustee | 5/12/10 Date | ▶ Executive Director Title

Paid Preparer's Use Only

Preparer's signature ▶ [signature] | Date 5/10/10 | Check if self-employed ▶ ☐ | Preparer's identifying number

Firm's name (or yours if self-employed), address, and ZIP code ▶ SMITH DUKES & BUCKALEW LLP
3800 AIRPORT BLVD
MOBILE, AL 36608-1667

EIN ▶

Phone no. (251)343-1200

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	Employer identification number
ROTARY CHILDREN'S FOUNDATION, INC. C/O RUSSELL LADD, III	63-6045293

Organization type (check one)

Filers of:	Section:
Form 990 or 990-EZ	[ ] 501(c)( ) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[X] 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

[X] 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) and 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 its 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).

Name of organization
ROTARY CHILDREN'S FOUNDATION, INC.
C/O RUSSELL LADD, III

Employer identification number
63-6045293

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	ROTARY CLUB OF MOBILE MOBILE, AL	$ 6,141.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
2	Z MASTIN FBO ORTHOPEDIC WARD TRUST MOBILE, AL	$ 2,272.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
3	JOHN I MORRILL TRUST MOBILE, AL	$ 9,179.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
4	EDWARD FAITH LIFE INSURANCE TRUST MOBILE, AL	$ 19,144.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)

TRUST YEAR ENDING 12/31/2009

TAX PREPARER· 6990
TRUST ADMINISTRATOR 1160
INVESTMENT OFFICER· 91

LEGEND F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM
1000 0000 AT&T INC DTD 05/13/08 5.6% 05/15/2018 - 00206RAM4 - MINOR = 45						
SOLD		12/14/2009	1068 91			
ACQ	1000 0000	06/09/2008	1068 91	996.48	72 43	LT15
180 0000 AETNA U S HEALTHCARE INC COM - 00817Y108 - MINOR = 50						
SOLD		07/06/2009	4333 40			
ACQ	180 0000	01/29/2009	4333 40	5951 95	-1618 55	ST
7000 0000 ALABAMA POWER CO SERIES 07-D DTD 12/12/ - 010392EY0 - MINOR = 45						
SOLD		07/07/2009	7478.45			
ACQ	7000 0000	06/09/2008	7478.45	7093.17	385 28	LT15
10 0000 ALLERGAN INC - 018490102 - MINOR = 50						
SOLD		10/06/2009	563 08			
ACQ	10 0000	01/29/2009	563.08	393 36	169 72	ST
100 0000 AMERICAN EXPRESS CO - 025816109 - MINOR = 31001						
SOLD		10/06/2009	3343 11			
ACQ	100 0000	01/29/2009	3343 11	1767 82	1575 29	ST
290.0000 BANK OF NEW YORK MELLON CORP - 064058100 - MINOR = 50						
SOLD		11/23/2009	7740 13			
ACQ	220 0000	01/29/2009	5871 82	6027 60	-155 78	ST
	70 0000	10/06/2009	1868 31	1971 90	-103 59	ST
1000 0000 CATERPILLAR INC DTD 12/05/08 7 9% 12/15/ - 149123BQ3 - MINOR = 45						
SOLD		12/14/2009	1231 54			
ACQ	1000 0000	12/03/2008	1231 54	998 66	232 88	LT15
20.0000 CISCO SYS INC COM - 17275R102						
SOLD		10/06/2009	469 18			
ACQ	20 0000	01/29/2009	469 18	327 16	142 02	ST
50.0000 CITRIX SYS INC COM - 177376100 - MINOR = 50						
SOLD		10/06/2009	1978 94			
ACQ	50 0000	01/29/2009	1978 94	1131 91	847.03	ST
7000.0000 CREDIT SUISSE FB USA 4.875% 08/15/2010 - 22541LBH5 - MINOR = 45						
SOLD		02/27/2009	7004.83			
ACQ	7000 0000	06/09/2008	7004 83	7130.34	-125 51	ST
7000.0000 CREDIT SUISSE FB USA 4.875% 08/15/2010 - 22541LBH5 - MINOR = 45						
SOLD		07/07/2009	7237 23			
ACQ	7000.0000	06/09/2008	7237 23	7130 34	106.89	LT15
1000 0000 CREDIT SUISSE NEW YORK DTD 5/4/09 5.5% 0 - 22546QAA5 - MINOR = 45						
SOLD		12/14/2009	1046.90			
ACQ	1000.0000	07/07/2009	1046.90	1053 91	-7 01	ST
7000 0000 DEERE JOHN CAPITAL CORP SERIES MTN DTD 12/17/07 4.95% 12/17/2012 - 24422EQM4 - MINOR = 45						
SOLD		05/27/2009	7226 03			
ACQ	7000 0000	06/09/2008	7226 03	7117 04	108 99	ST
50 0000 DELL INC - 24702R101						
SOLD		10/06/2009	760 98			
ACQ	50 0000	01/29/2009	760 98	516 91	244 07	ST
7000 0000 WALT DISNEY CO DTD 12/22/08 4.5% 12/15/2 - 254687AW6 - MINOR = 45						
SOLD		08/12/2009	7360 50			
ACQ	2000 0000	12/18/2008	2103 00	2020 62	82 38	ST
	2000 0000	12/18/2008	2103 00	2022 96	80 04	ST
	3000 0000	12/18/2008	3154 50	2970 78	183 72	ST
8000 0000 DOMINION RES INC VA NEW SERIES· C 5 15% - 25746UAW9 - MINOR = 45						
SOLD		07/01/2009	8165 60			
ACQ	8000 0000	06/09/2008	8165.60	7814 00	351 60	LT15
80 0000 E M C CORP MASS COM - 268648102 - MINOR = 50						
SOLD		10/06/2009	1391.16			
ACQ	80.0000	01/29/2009	1391.16	916 66	474 50	ST
1313.2400 FEDERAL HOME LOAN MTG CORP POOL #G08257 DTD 03/01/08 6% 03/01/2038 - 3128MJJB7 - MINOR = 35						
SOLD		01/15/2009	1313 24			
ACQ	1313 2400	06/09/2008	1313 24	1329 25	-16 01	ST
3269.2900 FEDERAL HOME LOAN MTG CORP POOL #G08257 DTD 03/01/08 6% 03/01/2038 - 3128MJJB7 - MINOR = 35						
SOLD		02/17/2009	3269.29			
ACQ	3269 2900	06/09/2008	3269.29	3309.13	-39 84	ST
4237.9300 FEDERAL HOME LOAN MTG CORP POOL #G08257 DTD 03/01/08 6% 03/01/2038 - 3128MJJB7 - MINOR = 35						
SOLD		03/16/2009	4237.93			
ACQ	4237.9300	06/09/2008	4237 93	4289 58	-51 65	ST
2700 9400 FEDERAL HOME LOAN MTG CORP POOL #G08257 DTD 03/01/08 6% 03/01/2038 - 3128MJJB7 - MINOR = 35						
SOLD		04/15/2009	2700 94			
ACQ	2700 9400	06/09/2008	2700.94	2733 86	-32.92	ST
2830 6600 FEDERAL HOME LOAN MTG CORP POOL #G08257 DTD 03/01/08 6% 03/01/2038 - 3128MJJB7 - MINOR = 35						
SOLD		05/15/2009	2830 66			
ACQ	2830 6600	06/09/2008	2830 66	2865 16	-34 50	ST
4218 9600 FEDERAL HOME LOAN MTG CORP POOL #G08257 DTD 03/01/08 6% 03/01/2038 - 3128MJJB7 - MINOR = 35						
SOLD		06/15/2009	4218 96			
ACQ	4218 9600	06/09/2008	4218 96	4270 38	-51 42	LT15
3140 1000 FEDERAL HOME LOAN MTG CORP POOL #G08257 DTD 03/01/08 6% 03/01/2038 - 3128MJJB7 - MINOR = 35						
SOLD		07/15/2009	3140 10			
ACQ	3140 1000	06/09/2008	3140 10	3178 37	-38 27	LT15
2059 4800 FEDERAL HOME LOAN MTG CORP POOL #G08257 DTD 03/01/08 6% 03/01/2038 - 3128MJJB7 - MINOR = 35						
SOLD		08/17/2009	2059 48			
ACQ	2059.4800	06/09/2008	2059 48	2084 58	-25 10	LT15
1375 1400 FEDERAL HOME LOAN MTG CORP POOL #G08257 DTD 03/01/08 6% 03/01/2038 - 3128MJJB7 - MINOR = 35						
SOLD		09/15/2009	1375 14			
ACQ	1375 1400	06/09/2008	1375 14	1391 90	-16 76	LT15
1433 2200 FEDERAL HOME LOAN MTG CORP POOL #G08257 DTD 03/01/08 6% 03/01/2038 - 3128MJJB7 - MINOR = 35						
SOLD		10/15/2009	1433 22			
ACQ	1433 2200	06/09/2008	1433 22	1450 69	-17 47	LT15

FROM 01/01/2009 STATEMENT OF CAPITAL GAINS AND LOSSES
TO 12/31/2009 ROTARY CHILDRENS FOUNDATION INC RUN 02/09/2010 07 49 57 PM

TRUST YEAR ENDING 12/31/2009

TAX PREPARER 6990
TRUST ADMINISTRATOR 1160
INVESTMENT OFFICER· 91

LEGEND: F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM
1234 1400 FEDERAL HOME LOAN MTG CORP POOL #G08257 DTD 03/01/08 6% 03/01/2038 - 3128MJJB7 - MINOR = 35						
SOLD		11/16/2009	1234 14			
ACQ	1234.1400	06/09/2008	1234 14	1249 18	-15 04	LT15
1709 0800 FEDERAL HOME LOAN MTG CORP POOL #G08257 DTD 03/01/08 6% 03/01/2038 - 3128MJJB7 - MINOR = 35						
SOLD		12/15/2009	1709 08			
ACQ	1709.0800	06/09/2008	1709.08	1729 91	-20.83	LT15
932.2100 FEDERAL HOME LOAN MTG CORP POOL #G18251 DTD 05/01/08 5% 05/01/2023 - 3128MMH55 - MINOR = 35						
SOLD		01/15/2009	932 21			
ACQ	932 2100	06/09/2008	932 21	922 60	9 61	ST
2559 5000 FEDERAL HOME LOAN MTG CORP POOL #G18251 DTD 05/01/08 5% 05/01/2023 - 3128MMH55 - MINOR = 35						
SOLD		02/17/2009	2559.50			
ACQ	2559 5000	06/09/2008	2559.50	2533.11	26 39	ST
4316 2400 FEDERAL HOME LOAN MTG CORP POOL #G18251 DTD 05/01/08 5% 05/01/2023 - 3128MMH55 - MINOR = 35						
SOLD		03/16/2009	4316.24			
ACQ	4316 2400	06/09/2008	4316 24	4271 73	44 51	ST
3259 5200 FEDERAL HOME LOAN MTG CORP POOL #G18251 DTD 05/01/08 5% 05/01/2023 - 3128MMH55 - MINOR = 35						
SOLD		04/15/2009	3259 52			
ACQ	3259 5200	06/09/2008	3259.52	3225 91	33 61	ST
2905 0200 FEDERAL HOME LOAN MTG CORP POOL #G18251 DTD 05/01/08 5% 05/01/2023 - 3128MMH55 - MINOR = 35						
SOLD		05/15/2009	2905 02			
ACQ	2905 0200	06/09/2008	2905.02	2875.06	29.96	ST
3258 8700 FEDERAL HOME LOAN MTG CORP POOL #G18251 DTD 05/01/08 5% 05/01/2023 - 3128MMH55 - MINOR = 35						
SOLD		06/15/2009	3258.87			
ACQ	3258 8700	06/09/2008	3258 87	3225 26	33 61	LT15
2773 0000 FEDERAL HOME LOAN MTG CORP POOL #G18251 DTD 05/01/08 5% 05/01/2023 - 3128MMH55 - MINOR = 35						
SOLD		07/15/2009	2773 00			
ACQ	2773 0000	06/09/2008	2773 00	2744 40	28 60	LT15
2042 9800 FEDERAL HOME LOAN MTG CORP POOL #G18251 DTD 05/01/08 5% 05/01/2023 - 3128MMH55 - MINOR = 35						
SOLD		08/17/2009	2042.98			
ACQ	2042 9800	06/09/2008	2042.98	2021 91	21 07	LT15
1161 2600 FEDERAL HOME LOAN MTG CORP POOL #G18251 DTD 05/01/08 5% 05/01/2023 - 3128MMH55 - MINOR = 35						
SOLD		09/15/2009	1161.26			
ACQ	1161 2600	06/09/2008	1161.26	1149.28	11.98	LT15
1117 9700 FEDERAL HOME LOAN MTG CORP POOL #G18251 DTD 05/01/08 5% 05/01/2023 - 3128MMH55 - MINOR = 35						
SOLD		10/15/2009	1117.97			
ACQ	1117 9700	06/09/2008	1117.97	1106 44	11 53	LT15
1946 1300 FEDERAL HOME LOAN MTG CORP POOL #G18251 DTD 05/01/08 5% 05/01/2023 - 3128MMH55 - MINOR = 35						
SOLD		11/16/2009	1946.13			
ACQ	1946 1300	06/09/2008	1946.13	1926 06	20 07	LT15
1833 1800 FEDERAL HOME LOAN MTG CORP POOL #G18251 DTD 05/01/08 5% 05/01/2023 - 3128MMH55 - MINOR = 35						
SOLD		12/15/2009	1833.18			
ACQ	1833 1800	06/09/2008	1833 18	1814 28	18.90	LT15
522 5400 FEDERAL NATIONAL MORTGAGE ASSN POOL #190375 DTD 10/01/06 5.5% 11/01/2036 - 31368HMY6 - MINOR = 35						
SOLD		01/26/2009	522.54			
ACQ	522 5400	06/09/2008	522 54	516.25	6.29	ST
1295.9700 FEDERAL NATIONAL MORTGAGE ASSN POOL #190375 DTD 10/01/06 5.5% 11/01/2036 - 31368HMY6 - MINOR = 35						
SOLD		02/25/2009	1295 97			
ACQ	1295 9700	06/09/2008	1295 97	1280.38	15.59	ST
1624 8800 FEDERAL NATIONAL MORTGAGE ASSN POOL #190375 DTD 10/01/06 5 5% 11/01/2036 - 31368HMY6 - MINOR = 35						
SOLD		03/25/2009	1624 88			
ACQ	1624.8800	06/09/2008	1624.88	1605 33	19 55	ST
1541 3600 FEDERAL NATIONAL MORTGAGE ASSN POOL #190375 DTD 10/01/06 5.5% 11/01/2036 - 31368HMY6 - MINOR = 35						
SOLD		04/27/2009	1541.36			
ACQ	1541 3600	06/09/2008	1541 36	1522 82	18 54	ST
1410 9900 FEDERAL NATIONAL MORTGAGE ASSN POOL #190375 DTD 10/01/06 5 5% 11/01/2036 - 31368HMY6 - MINOR = 35						
SOLD		05/26/2009	1410 99			
ACQ	1410 9900	06/09/2008	1410.99	1394 01	16 98	ST
1528 3900 FEDERAL NATIONAL MORTGAGE ASSN POOL #190375 DTD 10/01/06 5 5% 11/01/2036 - 31368HMY6 - MINOR = 35						
SOLD		06/25/2009	1528 39			
ACQ	1528 3900	06/09/2008	1528 39	1510 00	18 39	LT15
1407 8400 FEDERAL NATIONAL MORTGAGE ASSN POOL #190375 DTD 10/01/06 5 5% 11/01/2036 - 31368HMY6 - MINOR = 35						
SOLD		07/27/2009	1407 84			
ACQ	1407.8400	06/09/2008	1407 84	1390 90	16 94	LT15
1005 5000 FEDERAL NATIONAL MORTGAGE ASSN POOL #190375 DTD 10/01/06 5.5% 11/01/2036 - 31368HMY6 - MINOR = 35						
SOLD		08/25/2009	1005 50			
ACQ	1005.5000	06/09/2008	1005 50	993 40	12 10	LT15
721 6600 FEDERAL NATIONAL MORTGAGE ASSN POOL #190375 DTD 10/01/06 5.5% 11/01/2036 - 31368HMY6 - MINOR = 35						
SOLD		09/25/2009	721 66			
ACQ	721 6600	06/09/2008	721 66	712 98	8 68	LT15
675 4000 FEDERAL NATIONAL MORTGAGE ASSN POOL #190375 DTD 10/01/06 5 5% 11/01/2036 - 31368HMY6 - MINOR = 35						
SOLD		10/26/2009	675 40			
ACQ	675 4000	06/09/2008	675 40	667 27	8 13	LT15
664 8400 FEDERAL NATIONAL MORTGAGE ASSN POOL #190375 DTD 10/01/06 5 5% 11/01/2036 - 31368HMY6 - MINOR = 35						
SOLD		11/25/2009	664.84			
ACQ	664 8400	06/09/2008	664 84	656 84	8 00	LT15
32399 7900 FEDERAL NATIONAL MORTGAGE ASSN POOL #190375 DTD 10/01/06 5.5% 11/01/2036 - 31368HMY6 - MINOR = 35						
SOLD		12/14/2009	34399 46			
ACQ	32399 7900	06/09/2008	34399 46	32009.99	2389 47	LT15
730 9200 FEDERAL NATIONAL MORTGAGE ASSN POOL #190375 DTD 10/01/06 5 5% 11/01/2036 - 31368HMY6 - MINOR = 35						
SOLD		12/28/2009	730 92			
ACQ	730 9200	06/09/2008	730 92	722.13	8 79	LT15
856 6600 FEDERAL NATIONAL MORTGAGE ASSN POOL #257207 DTD 04/01/08 6% 05/01/2038 - 31371NU86 - MINOR = 35						
SOLD		01/26/2009	856 66			
ACQ	856 6600	06/09/2008	856 66	866 83	-10 17	ST

TRUST YEAR ENDING 12/31/2009

TAX PREPARER 6990
TRUST ADMINISTRATOR 1160
INVESTMENT OFFICER· 91

LEGEND F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM
1720 2400 FEDERAL NATIONAL MORTGAGE ASSN POOL #257207 DTD 04/01/08 6% 05/01/2038 - 31371NU86 - MINOR = 35						
SOLD		02/25/2009	1720.24			
ACQ	1720 2400	06/09/2008	1720 24	1740 67	-20 43	ST
2375 0800 FEDERAL NATIONAL MORTGAGE ASSN POOL #257207 DTD 04/01/08 6% 05/01/2038 - 31371NU86 - MINOR = 35						
SOLD		03/25/2009	2375 08			
ACQ	2375 0800	06/09/2008	2375 08	2403 28	-28 20	ST
2133 3600 FEDERAL NATIONAL MORTGAGE ASSN POOL #257207 DTD 04/01/08 6% 05/01/2038 - 31371NU86 - MINOR = 35						
SOLD		04/27/2009	2133.36			
ACQ	2133 3600	06/09/2008	2133.36	2158 69	-25 33	ST
2309 3700 FEDERAL NATIONAL MORTGAGE ASSN POOL #257207 DTD 04/01/08 6% 05/01/2038 - 31371NU86 - MINOR = 35						
SOLD		05/26/2009	2309 37			
ACQ	2309 3700	06/09/2008	2309 37	2336 79	-27 42	ST
1768 0500 FEDERAL NATIONAL MORTGAGE ASSN POOL #257207 DTD 04/01/08 6% 05/01/2038 - 31371NU86 - MINOR = 35						
SOLD		06/25/2009	1768.05			
ACQ	1768 0500	06/09/2008	1768.05	1789 05	-21 00	LT15
1280 6800 FEDERAL NATIONAL MORTGAGE ASSN POOL #257207 DTD 04/01/08 6% 05/01/2038 - 31371NU86 - MINOR = 35						
SOLD		07/27/2009	1280 68			
ACQ	1280 6800	06/09/2008	1280.68	1295 89	-15 21	LT15
1780 0900 FEDERAL NATIONAL MORTGAGE ASSN POOL #257207 DTD 04/01/08 6% 05/01/2038 - 31371NU86 - MINOR = 35						
SOLD		08/25/2009	1780 09			
ACQ	1780 0900	06/09/2008	1780 09	1801 23	-21 14	LT15
1426 9100 FEDERAL NATIONAL MORTGAGE ASSN POOL #257207 DTD 04/01/08 6% 05/01/2038 - 31371NU86 - MINOR = 35						
SOLD		09/25/2009	1426.91			
ACQ	1426 9100	06/09/2008	1426.91	1443 85	-16 94	LT15
1391 1400 FEDERAL NATIONAL MORTGAGE ASSN POOL #257207 DTD 04/01/08 6% 05/01/2038 - 31371NU86 - MINOR = 35						
SOLD		10/26/2009	1391.14			
ACQ	1391 1400	06/09/2008	1391.14	1407 66	-16 52	LT15
2179 5300 FEDERAL NATIONAL MORTGAGE ASSN POOL #257207 DTD 04/01/08 6% 05/01/2038 - 31371NU86 - MINOR = 35						
SOLD		11/25/2009	2179 53			
ACQ	2179 5300	06/09/2008	2179 53	2205 41	-25 88	LT15
1789 5600 FEDERAL NATIONAL MORTGAGE ASSN POOL #257207 DTD 04/01/08 6% 05/01/2038 - 31371NU86 - MINOR = 35						
SOLD		12/28/2009	1789 56			
ACQ	1789 5600	06/09/2008	1789.56	1810.81	-21.25	LT15
242 0500 FEDERAL NATIONAL MORTGAGE ASSN POOL #257234 DTD 05/01/08 5% 06/01/2023 - 31371NV36 - MINOR = 35						
SOLD		01/26/2009	242 05			
ACQ	242 0500	06/09/2008	242 05	239 67	2 38	ST
442 4800 FEDERAL NATIONAL MORTGAGE ASSN POOL #257234 DTD 05/01/08 5% 06/01/2023 - 31371NV36 - MINOR = 35						
SOLD		02/25/2009	442 48			
ACQ	442 4800	06/09/2008	442 48	438 12	4 36	ST
693 9600 FEDERAL NATIONAL MORTGAGE ASSN POOL #257234 DTD 05/01/08 5% 06/01/2023 - 31371NV36 - MINOR = 35						
SOLD		03/25/2009	693.96			
ACQ	693 9600	06/09/2008	693 96	687 13	6 83	ST
632 8100 FEDERAL NATIONAL MORTGAGE ASSN POOL #257234 DTD 05/01/08 5% 06/01/2023 - 31371NV36 - MINOR = 35						
SOLD		04/27/2009	632 81			
ACQ	632 8100	06/09/2008	632 81	626 58	6 23	ST
467 3300 FEDERAL NATIONAL MORTGAGE ASSN POOL #257234 DTD 05/01/08 5% 06/01/2023 - 31371NV36 - MINOR = 35						
SOLD		05/26/2009	467 33			
ACQ	467 3300	06/09/2008	467 33	462 73	4 60	ST
849.2300 FEDERAL NATIONAL MORTGAGE ASSN POOL #257234 DTD 05/01/08 5% 06/01/2023 - 31371NV36 - MINOR = 35						
SOLD		06/25/2009	849 23			
ACQ	849 2300	06/09/2008	849 23	840 87	8 36	LT15
548 2600 FEDERAL NATIONAL MORTGAGE ASSN POOL #257234 DTD 05/01/08 5% 06/01/2023 - 31371NV36 - MINOR = 35						
SOLD		07/27/2009	548 26			
ACQ	548 2600	06/09/2008	548.26	542 86	5 40	LT15
355 1200 FEDERAL NATIONAL MORTGAGE ASSN POOL #257234 DTD 05/01/08 5% 06/01/2023 - 31371NV36 - MINOR = 35						
SOLD		08/25/2009	355.12			
ACQ	355 1200	06/09/2008	355 12	351 62	3 50	LT15
466 2200 FEDERAL NATIONAL MORTGAGE ASSN POOL #257234 DTD 05/01/08 5% 06/01/2023 - 31371NV36 - MINOR = 35						
SOLD		09/25/2009	466 22			
ACQ	466.2200	06/09/2008	466.22	461.63	4 59	LT15
307 5900 FEDERAL NATIONAL MORTGAGE ASSN POOL #257234 DTD 05/01/08 5% 06/01/2023 - 31371NV36 - MINOR = 35						
SOLD		10/26/2009	307.59			
ACQ	307 5900	06/09/2008	307 59	304 56	3 03	LT15
458 0400 FEDERAL NATIONAL MORTGAGE ASSN POOL #257234 DTD 05/01/08 5% 06/01/2023 - 31371NV36 - MINOR = 35						
SOLD		11/25/2009	458 04			
ACQ	458 0400	06/09/2008	458 04	453 53	4 51	LT15
325 6000 FEDERAL NATIONAL MORTGAGE ASSN POOL #257234 DTD 05/01/08 5% 06/01/2023 - 31371NV36 - MINOR = 35						
SOLD		12/28/2009	325 60			
ACQ	325 6000	06/09/2008	325 60	322 40	3 20	LT15
3318 8410 FEDERATED STOCK TRUST - 313900102 - MINOR = 62						
SOLD		01/29/2009	53300.59			
ACQ	3318 8410	04/08/2004	53300 59	117155 08	-63854 49	LT15
170 0000 FIRSTENERGY CORP COM - 337932107 - MINOR = 50						
SOLD		11/23/2009	7148 44			
ACQ	110 0000	01/29/2009	4625 46	5782 11	-1156 65	ST
	60 0000	10/06/2009	2522 98	2773 20	-250 22	ST
70.0000 GENENTECH INC COM NEW - 368710406 - MINOR = 50						
SOLD		03/25/2009	6633.14			
ACQ	70 0000	01/29/2009	6633 14	5893 30	739 84	ST
100 0000 GENERAL DYNAMICS CORP - 369550108 - MINOR = 50						
SOLD		05/14/2009	5538 82			
ACQ	100 0000	01/29/2009	5538 82	5812 64	-273 82	ST
30.0000 GOLDMAN SACHS GROUP INC COM - 38141G104 - MINOR = 31001						
SOLD		10/06/2009	5640 15			
ACQ	30 0000	01/29/2009	5640 15	2541 60	3098 55	ST

TRUST YEAR ENDING 12/31/2009

TAX PREPARER 6990
TRUST ADMINISTRATOR 1160
INVESTMENT OFFICER 91

LEGEND F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM
40 0000 HALLIBURTON CO COM - 406216101 - MINOR = 50						
SOLD		10/06/2009	1093 17			
ACQ	40.0000	01/29/2009	1093.17	725.13	368 04	ST
7000 0000 HEWLETT-PACKARD CO DTD 03/03/08 4.5% 03/ - 428236AQ6 - MINOR = 45						
SOLD		09/11/2009	7445 69			
ACQ	7000 0000	06/09/2008	7445 69	6961.71	483 98	LT15
3000 0000 INGERSOLL-RAND GL HLD CO DTD 08/15/08 6 - 45687AAA0 - MINOR = 45						
SOLD		01/28/2009	2831.85			
ACQ	3000 0000	08/19/2008	2831.85	3013 86	-182 01	ST
4000 0000 INGERSOLL-RAND GL HLD CO DTD 08/15/08 6. - 45687AAA0 - MINOR = 45						
SOLD		01/28/2009	3793 16			
ACQ	4000.0000	08/19/2008	3793 16	4018 48	-225 32	ST
30.0000 INTEL CORP COM - 458140100						
SOLD		10/06/2009	586.18			
ACQ	30 0000	01/29/2009	586.18	410 95	175 23	ST
60 0000 JP MORGAN CHASE & CO COM - 46625H100 - MINOR = 31001						
SOLD		10/06/2009	2685 53			
ACQ	60 0000	01/29/2009	2685 53	1605 49	1080 04	ST
50.0000 JUNIPER NETWORKS - 48203R104 - MINOR = 50						
SOLD		10/06/2009	1358 46			
ACQ	50.0000	01/29/2009	1358 46	870 41	488 05	ST
14000 0000 MERRILL LYNCH & CO SENIOR NOTE - 590188JP4 - MINOR = 45						
SOLD		01/21/2009	13997.20			
ACQ	14000 0000	06/09/2008	13997.20	14153 16	-155.96	ST
1000.0000 MERRILL LYNCH & CO INC SERIES· MTN DTD 04/25/08 6 875% 04/25/2018 - 59018YN64 - MINOR = 45						
SOLD		12/14/2009	1100 87			
ACQ	1000 0000	07/23/2009	1100.87	996 36	104 51	ST
30.0000 MICROSOFT CORP COM - 594918104 - MINOR = 31001						
SOLD		10/06/2009	751.78			
ACQ	30 0000	01/29/2009	751.78	537 85	213 93	ST
7000 0000 PROCTER & GAMBLE CO MAKE WHOLE 4.6% 01/1 - 742718DL0 - MINOR = 45						
SOLD		09/11/2009	7539.00			
ACQ	5000 0000	12/16/2008	5385 00	4998 90	386 10	ST
	2000 0000	12/16/2008	2154.00	2044 66	109 34	ST
50.0000 PRUDENTIAL FINANCIAL INC COM - 744320102 - MINOR = 50						
SOLD		10/06/2009	2538 43			
ACQ	50 0000	01/29/2009	2538 43	1529 25	1009 18	ST
15208 7160 REGIONS FDS GROWTH TR SHS - 75913Q407 - MINOR = 62						
SOLD		01/29/2009	199234.18			
ACQ	15208 7160	11/12/1992	199234 18	165231 65	34002 53	LT15
8485 4600 REGIONS FDS VALUE TR SHS - 75913Q605 - MINOR = 62						
SOLD		01/29/2009	95376.57			
ACQ	8485 4600	03/07/1996	95376.57	108764 56	-13387 99	LT15
3461 0720 REGIONS FDS AGGR GRW CL A - 75913Q837 - MINOR = 62						
SOLD		01/29/2009	34091.56			
ACQ	3461.0720	02/29/2000	34091.56	50000 00	-15908 44	LT15
10.0000 SCHLUMBERGER LTD COM - 806857108 - MINOR = 50						
SOLD		10/06/2009	596.88			
ACQ	10.0000	01/29/2009	596 88	424 83	172 05	ST
250 0000 SYSCO CORP COM - 871829107 - MINOR = 50						
SOLD		06/02/2009	6164.67			
ACQ	250 0000	01/29/2009	6164.67	5904.55	260 12	ST
7000.0000 TARGET CORP CALLABLE 5.375% 05/01/2017 - 87612EAP1 - MINOR = 45						
SOLD		07/23/2009	7185 08			
ACQ	7000 0000	06/09/2008	7185 08	6943.51	241 57	LT15
1000 0000 TARGET CORP CALLABLE 5 375% 05/01/2017 - 87612EAP1 - MINOR = 45						
SOLD		12/14/2009	1077 06			
ACQ	1000 0000	06/09/2008	1077.06	991 93	85 13	LT15
50 0000 TIFFANY & CO - 886547108 - MINOR = 50						
SOLD		10/06/2009	2031.94			
ACQ	50 0000	01/29/2009	2031 94	1133 46	898.48	ST
5000 0000 UNITED STATES TREASURY NOTE 5.00% DTD 2/15/01 DUE 2/15/2011 - 9128276T4 - MINOR = 30						
SOLD		01/21/2009	5450 59			
ACQ	5000 0000	06/09/2008	5450 59	5291 80	158.79	ST
3000 0000 UNITED STATES TREASURY NOTE 5.00% DTD 2/15/01 DUE 2/15/2011 - 9128276T4 - MINOR = 30						
SOLD		12/14/2009	3158 67			
ACQ	3000 0000	06/09/2008	3158 67	3175 08	-16 41	LT15
25000 0000 UNITED STATES TREASURY N/B 4 25% 11/15/2 - 912828BR0 - MINOR = 30						
SOLD		01/21/2009	28466 79			
ACQ	25000 0000	12/09/2008	28466 79	28223 64	243 15	ST
10000 0000 UNITED STATES TREASURY N/B 4.25% 11/15/2 - 912828BR0 - MINOR = 30						
SOLD		11/09/2009	10926.56			
ACQ	10000 0000	12/09/2008	10926 56	11289 45	-362.89	ST
6000 0000 UNITED STATES TREASURY 3 5% 02/15/2010 - 912828DL1 - MINOR = 30						
SOLD		06/10/2009	6123 28			
ACQ	6000 0000	06/09/2008	6123 28	6102 66	20 62	LT15
40000 0000 UNITED STATES TREASURY 3 5% 02/15/2010 - 912828DL1 - MINOR = 30						
SOLD		12/11/2009	40232.81			
ACQ	26000 0000	06/09/2008	26151 33	26444 84	-293 51	LT15
	14000.0000	10/06/2009	14081 48	14167 34	-85 86	ST
14000 0000 UNITED STATES TREASURY 4 875% 05/15/20 - 912828FE5 - MINOR = 30						
SOLD		05/07/2009	14012 03			
ACQ	14000 0000	11/06/2008	14012 03	14275 62	-263 59	ST

FROM 01/01/2009
TO 12/31/2009

STATEMENT OF CAPITAL GAINS AND LOSSES
ROTARY CHILDRENS FOUNDATION INC

RUN 02/09/2010
07 49 57 PM

TRUST YEAR ENDING 12/31/2009

TAX PREPARER 6990
TRUST ADMINISTRATOR 1160
INVESTMENT OFFICER· 91

LEGEND F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM
14000.0000 UNITED STATES TREASURY DTD 10/31/07 3 62 - 912828HF0 - MINOR = 30						
SOLD		10/05/2009	14033 36			
ACQ	14000 0000	05/07/2009	14033 36	14216 02	-182.66	ST
6000.0000 UNITED STATES TREASURY N/B DTD 05/15/08 - 912828HZ6 - MINOR = 30						
SOLD		10/27/2009	6214 92			
ACQ	6000 0000	01/29/2009	6214 92	6527 11	-312.19	ST
19000.0000 UNITED STATES TREASURY N/B DTD 05/15/08 - 912828HZ6 - MINOR = 30						
SOLD		11/09/2009	19748 13			
ACQ	12000 0000	06/20/2008	12472.50	11760 00	712.50	LT15
	1000 0000	01/29/2009	1039 38	1087 85	-48.47	ST
	6000 0000	06/10/2009	6236 25	5992 50	243 75	ST
1000.0000 VERIZON COMMUNICATIONS 5.55% 02/15/201 - 92343VAC8 - MINOR = 45						
SOLD		12/14/2009	1088 62			
ACQ	1000 0000	06/09/2008	1088 62	1002.33	86 29	LT15
10 0000 WALGREEN CO COM - 931422109 - MINOR = 5010						
SOLD		10/06/2009	383 09			
ACQ	10 0000	01/29/2009	383 09	276 98	106 11	ST
20 0000 WELLS FARGO & CO NEW COM - 949746101						
SOLD		10/06/2009	576 58			
ACQ	20 0000	01/29/2009	576 58	400.04	176 54	ST
280 0000 WELLS FARGO & CO NEW COM - 949746101						
SOLD		12/11/2009	7036 22			
ACQ	280 0000	01/29/2009	7036 22	5600 59	1435.63	ST
		TOTALS	827549 19	872078 24		

SUMMARY OF CAPITAL GAINS/LOSSES

FEDERAL	SHORT TERM	LONG TERM 28%	LONG TERM 15%	ST WASH SALE	LT WASH SALE	1250 GAIN
SUBTOTAL FROM ABOVE	9824 07	0 00	-54353 12	0.00	0 00	0.00*
COMMON TRUST FUND	0 00	0 00	0 00			0 00
CAPITAL GAIN DIVIDENDS	0.00	0 00	0 00			0 00
	9824 07	0.00	-54353 12	0 00	0.00	0 00
STATE						
SUBTOTAL FROM ABOVE	9824.07	0 00	-54353.12	0 00	0 00	0.00*
COMMON TRUST FUND	0 00	0.00	0.00			0 00
CAPITAL GAIN DIVIDENDS	0 00	0.00	0 00			0 00
	9824 07	0 00	-54353 12	0 00	0.00	0 00

* - 1250 GAIN DETAILED ON TRANS PAGES, NOT ABOVE

CAPITAL LOSS CARRYOVER

FEDERAL	0 00	0 00
ALABAMA	N/A	N/A

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
CAPITAL GAINS DIVIDENDS	132.	132.	0.
DIVIDENDS	9,755.	0.	9,755.
INTEREST	39,423.	0.	39,423.
OID INCOME	42.	0.	42.
TOTAL TO FM 990-PF, PART I, LN 4	49,352.	132.	49,220.

FORM 990-PF ACCOUNTING FEES STATEMENT 2

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	1,050.	0.		1,050.
TO FORM 990-PF, PG 1, LN 16B	1,050.	0.		1,050.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
REGIONS BANK- MGT FEES	7,357.	7,357.		0.
TO FORM 990-PF, PG 1, LN 16C	7,357.	7,357.		0.

FORM 990-PF TAXES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAX	52.	52.		0.
EXCISE TAX - 2008	296.	0.		0.
EXCISE TAX - 2009 ESTIMATE	1,160.	0.		0.
TO FORM 990-PF, PG 1, LN 18	1,508.	52.		0.

FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 5

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
25,000 U.S. T-NOTE 4.5% 03/31/09	X		0.	0.
120,207 FEDERAL HOME LOAN MTG CORP POOL	X		91,791.	96,249.
91,502 FEDERAL HOME LOAN MTG CORP POOL	X		62,742.	66,342.
18,000 FEDERAL HOME LOAN MTG CORP	X		19,113.	19,598.
45,530 FEDERAL NATIONAL MTG ASSN	X		0.	0.
125,681 FEDERAL NATIONAL MTG ASSN	X		105,913.	110,967.
21,944 FEDERAL NATIONAL MTG ASSN	X		15,997.	16,902.
14,000 U.S. TREASURY NOTE 5%	X		14,817.	14,672.
35,000 U.S. TREASURY NOTE 4.25%	X		0.	0.
32,000 U.S. TREASURY NOTE 3.5%	X		0.	0.
14,000 U.S. TREASURY NOTE 4.875%	X		0.	0.
12,000 U.S. TREASURY NOTE 3.875%	X		0.	0.
27,000 FEDERAL NATIONAL MTG ASSN	X		26,431.	27,675.
6,000 TENNESSEE VALLEY AUTHORITY SER	X		6,619.	6,722.
U. S. TREASURY INFLATION INDEX BOND	X		35,665.	35,157.
48,000 U. S. TREASURY N/B DTD	X		47,934.	47,687.
TOTAL U.S. GOVERNMENT OBLIGATIONS			427,022.	441,971.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			427,022.	441,971.

FORM 990-PF CORPORATE STOCK STATEMENT 6

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
BEST BUY - 220 SHS	6,762.	8,681.
DARDEN RESTAURANTS 240 SHS	6,759.	8,417.
WALT DISNEY - 290 SHS	6,362.	9,353.
ROBERT HALF INTL INC - 310 SHS	7,100.	8,286.
TIFFANY & CO - 210 SHS	4,761.	9,030.
WALMART - 160 SHS	7,794.	8,552.
CVS CORPORATION - 230 SHS	6,519.	7,408.
PEPSICO INC - 130 SHS	6,860.	7,904.
PHILIP MORRIS INTL - 160 SHS	6,481.	7,710.
PROCTOR & GAMBLE CO - 130 SHS	7,574.	7,882.
WALGREEN CO - 210 SHS	5,817.	7,711.
CHEVRON CORP - 120 SHS	8,609.	9,239.
DEVON ENERGY CORP - 120 SHS	7,745.	8,820.

EXXON MOBIL CORP - 120 SHS	8,974.	8,183.
HALLIBURTON CO - 290 SHS	5,257.	8,726.
HESS CORP - 140 SHS	8,792.	8,470.
SCHLUMBERGER LTD - 130 SHS	5,523.	8,462.
XTO ENERGY CORP - 200 SHS	7,759.	9,306.
TRANSOCEAN LTD - 90 SHS	7,727.	7,452.
AMERICAN EXPRESS - 240 SHS	4,243.	9,725.
BANK OF AMERICA - 500 SHS	7,675.	7,530.
GOLDMAN SACHS GROUP - 40 SHS	3,389.	6,754.
JP MORGAN CHASE - 170 SHS	4,549.	7,084.
PRUDENTIAL FINANCIAL - 150 SHS	4,588.	7,464.
STATE STREET CORP - 180 SHS	7,521.	7,837.
TRAVELERS COMPANIES - 160 SHS	6,522.	7,978.
ABBOTT LABS - 160 SHS	8,561.	8,638.
ALLERGAN INC - 140 SHS	5,507.	8,821.
JOHNSON & JOHNSON - 130 SHS	7,626.	8,373.
STRYKER CORP - 180 SHS	7,617.	9,067.
TEVA PHARMACEUTICAL - 150 SHS	7,135.	8,427.
EATON CORP - 140 SHS	6,548.	8,907.
NORFOLK SOUTHERN CORP - 180 SHS	7,129.	9,436.
3M CO - 110 SHS	6,302.	9,094.
UNITED TECHNOLOGIES - 130 SHS	6,556.	9,023.
CISCO SYSTEMS - 350 SHS	5,725.	8,379.
CITRIX SYSTEM - 210 SHS	4,754.	8,738.
DELL INC - 530 SHS	5,479.	7,611.
EMC CORP - 460 SHS	5,271.	8,036.
INTEL CORP - 410 SHS	5,616.	8,364.
JUNIPER NETWORKS - 290 SHS	5,048.	7,734.
MICROSOFT CORP - 310 SHS	5,558.	9,449.
ORACLE CORP - 390 SHS	7,032.	9,567.
QUALCOMM INC - 200 SHS	7,211.	9,252.
THERMO FISHER SCIENTIFIC - 170 SHS	6,335.	8,107.
AIR PRODS & CHEMS INC - 110 SHS	5,980.	8,917.
MONSANTO CO - 110 SHS	8,009.	8,993.
AT&T INC - 290 SHS	7,431.	8,129.
VERIZON COMM - 260 SHS	7,917.	8,614.
EXELON CORP - 160 SHS	8,705.	7,819.
PIONEER SELECT MID CAP GROWTH-462 SHS	7,000.	6,917.
PIONEER GROWTH FUND Y - 1,718.52 SHS	20,276.	30,332.
PIONEER CULLEN VALUE FUND CLASS - 865.504 SHS	13,970.	14,471.
TOTAL TO FORM 990-PF, PART II, LINE 10B	371,960.	473,179.

FORM 990-PF CORPORATE BONDS STATEMENT 7

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
7,000 WALT DISNEY CO	0.	0.
7,000 TARGET CORP CALLABLE	6,944.	7,512.
7,000 KELLOGG CO	7,129.	7,597.
7,000 MCDONALDS CORP SERIE:MTN	6,916.	7,506.
6,000 PEPSICO INC	6,647.	7,364.
7,000 PROCTOR & GAMBLE CO	0.	0.
7,000 BP CAPITAL PLC NORMAL	6,995.	7,625.
14,000 CREDIT SUISSE FB USA	0.	0.
7,000 DEERE JOHN CAPITAL CORP	0.	0.
21,000 JOHN DEERE CAPITAL CORP	21,172.	21,640.
14,000 HSBC FINANCE CORP	13,999.	14,347.
14,000 MERRILL LYNCH & CO INC	0.	0.
14,000 MORGAN STANLEY	14,070.	14,521.
7,000 WACHOVIA CORP	6,856.	7,280.
7,000 CATEPILLAR INC	0.	0.
7,000 INGERSOLL-RAND GL HLD CO	0.	0.
7,000 HEWLETT-PACKARD CO	0.	0.
7,000 ORACLE CORP	7,067.	7,568.
7,000 AT&T INC	6,975.	7,336.
7,000 VERIZON COMMUNICATIONS	7,016.	7,546.
7,000 ALABAMA POWER CO	0.	0.
8,000 DOMINION RES INC VA NEW	0.	0.
7,000 DUKE ENERGY CORP	7,363.	7,568.
7,000 COMCAST	7,078.	7,343.
14,000 CREDIT SUISSE NEW YORK 5.5% DUE 05/01/2014	14,755.	15,193.
6,000 HESS CORP	7,153.	7,236.
6,000 PETROBRAS INTL	5,995.	6,104.
6,000 TALISMAN ENERGY INC	7,042.	7,046.
34,000 CITIGROUP	34,653.	34,267.
17,000 GENERAL ELEC	17,096.	17,238.
7,000 GOLDMAN SACHS	7,150.	7,656.
17,000 GOLDMAN SACHS	17,001.	17,152.
7,000 MERRILL LYNCH	6,975.	7,542.
7,000 ABBOTT LABS	6,976.	7,322.
6,000 CATERPILLAR INC	5,990.	7,320.
14,000 GENERAL ELECTRIC	14,285.	14,811.
7,000 TIME WARNER CABLE	7,676.	7,690.
PIONEER BOND FUND CLASS Y FD	41,098.	39,604.
TOTAL TO FORM 990-PF, PART II, LINE 10C	320,072.	328,934.

FORM 990-PF OTHER INVESTMENTS STATEMENT 8

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
RMK SEL GROWTH FUND -- 15,209 UTS	COST	0.	0.
RMK FIXED INCOME FUND -- 4151 UTS	COST	0.	0.
RMK SELECT VALUE FUND --8485.46 UTS	COST	0.	0.
RMK SELECT VALUE FD-1019 UTS	COST	0.	0.
RMK SEL MID CAP GROWTH - 469 UTS	COST	0.	0.
FEDERATED STOCK TRUST FD-372 UTS	COST	13,000.	7,644.
RMK SELECT GROWTH FD-1716 UTS	COST	0.	0.
FEDERATED STOCK TRUST FUND - 3,319	COST	0.	0.
RMK SEL MID CAP GROWTH - 3,461 UTS	COST	0.	0.
FEDERATED US GOVT SEC 2-5-IS	COST	15,000.	16,127.
ISHARES MSCI EAFE INDEX FUND - 980 UTS	COST	53,596.	54,174.
ISHARES S&P MIDCAP 400 - 910 UTS	COST	62,772.	65,893.
ISHARES S&P SMALLCAP 600 INDEX FUND - 1080 UTS	COST	56,606.	59,098.
TOTAL TO FORM 990-PF, PART II, LINE 13		200,974.	202,936.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 9

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
HARRY W. MATTEI MOBILE, AL	TRUSTEE 0.10	0.	0.	0.
RUSSELL LADD, III MOBILE, AL	EXEC DIR 0.25	0.	0.	0.
BURNLEY DAVIS MOBILE, AL	TRUSTEE 0.10	0.	0.	0.
MICHAEL PIERCE MOBILE, AL	TRUSTEE 0.10	0.	0.	0.
ROBBY MCCLURE MOBILE, AL	TRUSTEE 0.10	0.	0.	0.
MIKE MCMAKEN MOBILE, AL	TRUSTEE 0.10	0.	0.	0.
MICHAEL CHAMBERS MOBILE, AL	TRUSTEE 0.10	0.	0.	0.
KINLEY BELL MOBILE, AL	TRUSTEE 0.10	0.	0.	0.
ROBERT GREER MOBILE, AL	TRUSTEE 0.10	0.	0.	0.
LYNN ROBINSON MOBILE, AL	TRUSTEE 0.10	0.	0.	0.
ALLEN LADD MOBILE, AL	TRUSTEE 0.10	0.	0.	0.

RON MELTON MOBILE, AL	TRUSTEE 0.10	0.	0.	0.
JOHN ROGERS MOBILE, AL	TRUSTEE 0.10	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

FORM 990-PF — GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR — STATEMENT 10

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
CAMP ASCCA 5278 CAMP ASCCA DRIVE JACKSONS GAP, AL 36861	OPERATIONS	PUBLIC	30,000.
EPILEPSY CHAPTER OF MOBILE & GULF COAST 951 GOVERNMENT STREET MOBILE, AL 36604	OPERATIONS	PUBLIC	2,000.
GIRL SCOUTS OF THE DEEP SOUTH COUNCIL 3483 SPRINGHILL AVENUE MOBILE, AL 36608	OPERATIONS	PUBLIC	1,000.
GOODWILL/EASTER SEALS 2448 GORDON SMITH DR MOBILE, AL 36617	MEDICAL & TECHNICAL PROGRAM	PUBLIC	16,000.
MIMC CENTER FOR WOMEN AND CHILDREN 1761 SPRING HILL AVE MOBILE, AL 36607	OPERATIONS	PUBLIC	3,400.
MOBILE ASSOCIATION FOR RETARDED CITIZENS 2424 GORDON SMITH DR MOBILE, AL 36617	OPERATIONS	PUBLIC	8,000.

MULHERIN CUSTODIAL HOME 2496 HALLS MILL RD MOBILE, AL 36606	OPERATIONS	PUBLIC	6,000.
UNITED CEREBRAL PALSY 3058 DAUPHIN SQUARE CONNECTOR MOBILE, AL 36607	OPERATIONS	PUBLIC	7,200.
GOODWILL/EASTER SEALS 2448 GORDON SMITH DR MOBILE, AL 36617	CHILDREN & FAMILY SERVICES	PUBLIC	13,000.
TOTAL TO FORM 990-PF, PART XV, LINE 3A			86,600.