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**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 May 1, 2009, and ending April 30, 2010G 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 <u>The McAlister Foundation</u>		A Employer identification number <u>57-1112302</u>
	Number and street (or P.O. box number if mail is not delivered to street address)	Room/suite	B Telephone number (see page 10 of the instructions) <u>864-687-7797</u>
	City or town, state, and ZIP code <u>Laurin SC 29360</u>		C If exemption application is pending, check here <input type="checkbox"/>
H Check type of organization: <input 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		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>	
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) <u>\$1415387</u>		J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.)	
		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"/>	

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)	<u>336922</u>			
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	<u>41</u>	<u>41</u>		
	4 Dividends and interest from securities	<u>31412</u>	<u>31412</u>		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	<u>39238</u>			
	b Gross sales price for all assets on line 6a	<u>310871</u>			
	7 Capital gain net income (from Part IV, line 2)		<u>39238</u>		
	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) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	<u>407613</u>	<u>70691</u>			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)	<u>2000</u>			<u>2000</u>
	b Accounting fees (attach schedule)				
	c Other professional fees (attach schedule)	<u>9721</u>	<u>9721</u>		
	17 Interest	<u>649</u>			
	18 Taxes (attach schedule) (see page 14 of the instructions)				
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)				
	24 Total operating and administrative expenses. Add lines 13 through 23	<u>12370</u>	<u>9721</u>		<u>2000</u>
	25 Contributions, gifts, grants paid	<u>84326</u>			<u>84326</u>
26 Total expenses and disbursements. Add lines 24 and 25	<u>96696</u>	<u>9721</u>		<u>86326</u>	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	<u>310917</u>				
b Net investment income (if negative, enter -0-)		<u>60970</u>			
c Adjusted net income (if negative, enter -0-)					

**Part II Balance Sheets**

Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
<b>Assets</b>	1 Cash—non-interest-bearing	495	70761	70761
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	9		
	10a Investments—U.S. and state government obligations (attach schedule)		51097	51097
	b Investments—corporate stock (attach schedule)	858846	1258171	1258171
	c Investments—corporate bonds (attach schedule)		26545	26545
	11 Investments—land, buildings, and equipment: basis ▶			
Less: accumulated depreciation (attach schedule) ▶				
12 Investments—mortgage loans				
13 Investments—other (attach schedule) <i>Jewelry</i>	8000	8000	8000	
14 Land, buildings, and equipment: basis ▶				
Less: accumulated depreciation (attach schedule) ▶				
15 Other assets (describe) <i>Bond Interest Due</i>		813	813	
16 <b>Total assets</b> (to be completed by all filers—see the instructions. Also, see page 1, item I)	871350	1415387	1415387	
<b>Liabilities</b>	17 Accounts payable and accrued expenses	2026	610	
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 <b>Total liabilities</b> (add lines 17 through 22)	2026	610	
<b>Net Assets or Fund Balances</b>	<b>Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.</b> <input checked="" type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	<b>Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.</b> <input type="checkbox"/>			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 <b>Total net assets or fund balances</b> (see page 17 of the instructions)	867324	1414777	
	31 <b>Total liabilities and net assets/fund balances</b> (see page 17 of the instructions)	871350	1415387	

**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)
- 2 Enter amount from Part I, line 27a
- 3 Other increases not included in line 2 (itemize) *increase in market value of investments*
- 4 Add lines 1, 2, and 3
- 5 Decreases not included in line 2 (itemize) ▶
- 6 **Total net assets or fund balances at end of year** (line 4 minus line 5)—Part II, column (b), line 30

1	869324
2	310917
3	245336
4	1414777
5	
6	1414777

Re McAlister Foundation 57-1112302

**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	D		
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 310844		271656	39238
b			
c			
d			
e			

  

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0- or Losses (from col. (h)))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			
b			
c			
d			
e			

  

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	39238
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8	3	

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

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

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

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

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

1 Enter the appropriate amount in each column for each year; see page 18 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2008	84894	1090871	.078
2007	83409	1348593	.062
2006	56304	1335969	.042
2005	73387	1189094	.062
2004	49391	1028584	.048

2 Total of line 1, column (d)	2	292
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	.058
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	1826214
5 Multiply line 4 by line 3	5	65320
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	610
7 Add lines 5 and 6	7	65930
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.	8	86326

Re McClinton Foundation 57-1112302**Part VI Excise Tax Based on Investment Income** (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

<b>1a</b>	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: _____ (attach copy of letter if necessary—see instructions)			
<b>b</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	610	00
<b>c</b>	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)			
<b>2</b>	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2		
<b>3</b>	Add lines 1 and 2	3	610	00
<b>4</b>	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4		
<b>5</b>	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-	5	610	00
<b>6</b>	Credits/Payments:			
<b>a</b>	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	7100	
<b>b</b>	Exempt foreign organizations—tax withheld at source	6b		
<b>c</b>	Tax paid with application for extension of time to file (Form 8868)	6c		
<b>d</b>	Backup withholding erroneously withheld	6d		
<b>7</b>	Total credits and payments. Add lines 6a through 6d	7		
<b>8</b>	Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
<b>9</b>	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b>	9	610	00
<b>10</b>	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b>	10		
<b>11</b>	Enter the amount of line 10 to be: <b>Credited to 2010 estimated tax</b> <input type="checkbox"/> <b>Refunded</b> <input type="checkbox"/>	11		

**Part VII-A Statements Regarding Activities**

	Yes	No
<b>1a</b> 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?		<input checked="" type="checkbox"/>
<b>b</b> Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <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>		<input checked="" type="checkbox"/>
<b>c</b> Did the foundation file <b>Form 1120-POL</b> for this year?		<input checked="" type="checkbox"/>
<b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ \$ _____ (2) On foundation managers. ▶ \$ _____		
<b>e</b> Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ \$ _____		
<b>2</b> 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>		<input checked="" type="checkbox"/>
<b>3</b> 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>		<input checked="" type="checkbox"/>
<b>4a</b> Did the foundation have unrelated business gross income of \$1,000 or more during the year?		<input checked="" type="checkbox"/>
<b>b</b> If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year?		<input checked="" type="checkbox"/>
<b>5</b> Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		<input checked="" type="checkbox"/>
<b>6</b> 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?	<input checked="" type="checkbox"/>	
<b>7</b> Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	<input checked="" type="checkbox"/>	
<b>8a</b> Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ <u>South Carolina</u>		
<b>b</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? <i>If "No," attach explanation</i>	<input checked="" type="checkbox"/>	
<b>9</b> Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? <i>If "Yes," complete Part XIV</i>		<input checked="" type="checkbox"/>
<b>10</b> Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses.</i> <u>Schedule attached 336,922</u>	<input checked="" type="checkbox"/>	

The McAlister Foundation 57-1112302

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

- 11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions) . . . . . 11 ☐ Yes ☒ No
- 12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? . . . . . 12 ☐ Yes ☒ No
- 13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ . . . . . 13 ☒ Yes ☐ No
- 14 The books are in care of ▶ a Dial McAlister telephone no. ▶ 864-682-7792  
Located at ▶ 104 Creek Drive, Lawrence, SC ZIP+4 ▶ 29360-0225
- 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 ☐ Yes ☐ No

**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? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |     |    |
| (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |     |    |
| (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |     |    |
| (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.) . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? . . . . . 1b <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |     |    |
| Organizations relying on a current notice regarding disaster assistance check here . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |     |    |
| 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 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |     |    |
| 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? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br>If "Yes," list the years ▶ 20____, 20____, 20____, 20____   |     |    |
| b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 20 of the instructions.) . . . . . 2b <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |     |    |
| c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.<br>▶ 20____, 20____, 20____, 20____   |     |    |
| 3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |     |    |
| b If "Yes," did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009.) . . . . . 3b <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |     |    |
| 4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? . . . . . 4a <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |     |    |
| 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 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |     |    |

The McAlister Foundation 57-1112302

**Part VII-B** Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

**b** If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? ☐ Yes ☒ NoOrganizations 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? ☐ 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? ☐ 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**Part VIII** Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Albert D. McAlister Jr., Greenville, SC	✓ 5	9721	none	none
Albert D. McAlister, Laurens, SC	✓ 0	none	none	none
Carlson D. McAlister, Laurens, SC	✓ 0	✓	✓	✓
Donald R. McAlister, Laurens, SC	✓ 0	✓	✓	✓
David D. Boone, Laurens, SC	✓ 0	✓	✓	✓
F.R. McFarland, Dupont, NC	✓ 0	✓	✓	✓
A.D. McAlister Jr. is investment grants manager				

**2** Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."

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

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

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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 (see page 23 of the instructions). If none, enter "NONE."

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

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	<i>See Schedule attached - Scholarships to Higher Education Student</i>	<i>83328.</i>
2	<i>American Red Cross</i>	<i>1000.</i>
3		
4		

**Part IX-B** Summary of Program-Related Investments (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

Amount

1	<i>NONE</i>	
2		
3	All other program-related investments See page 24 of the instructions	

Total. Add lines 1 through 3

*NONE*



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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	1097736
b	Average of monthly cash balances	1b	37628
c	Fair market value of all other assets (see page 24 of the instructions)	1c	8000
d	<b>Total</b> (add lines 1a, b, and c)	1d	1143364
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	1143364
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	17150
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1126214
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	56310

**Part XI Distributable Amount** (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	56310
2a	Tax on investment income for 2009 from Part VI, line 5	2a	618
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	610
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	55700
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	<b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	55700

**Part XII Qualifying Distributions** (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	86326
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	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	86326
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	610
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	85716

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

**Part XIII** Undistributed Income (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7 . . . . .				55700
2 Undistributed income, if any, as of the end of 2009:				
a Enter amount for 2008 only . . . . .			none	
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2009:				
a From 2004 . . . . .				
b From 2005 . . . . .				
c From 2006 . . . . .				
d From 2007 . . . . .				
e From 2008 . . . . .				
f <b>Total</b> of lines 3a through e . . . . .				
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ \$ <u>86326</u>			none	
a Applied to 2008, but not more than line 2a . . . . .				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2009 distributable amount . . . . .				55700
e Remaining amount distributed out of corpus . . . . .				
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b . . . . .				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed . . . . .				
d Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions . . . . .				
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions . . . . .				
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010 . . . . .				none
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions) . . . . .				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions) . . . . .				
9 <b>Excess distributions carryover to 2010.</b> Subtract lines 7 and 8 from line 6a . . . . .	30626			
10 Analysis of line 9:				
a Excess from 2005 . . . . .				
b Excess from 2006 . . . . .				
c Excess from 2007 . . . . .				
d Excess from 2008 . . . . .				
e Excess from 2009 . . . . .	17381			

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

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

**Part XV Supplementary Information** (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 of the instructions.)**1 Information Regarding Foundation Managers:**

- a** List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)
- Barbara D. McAlister and Albert D. McAlister*
- 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 page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

- a** The name, address, and telephone number of the person to whom applications should be addressed *864-682-7797*
- A. David McAlister Jr. 104 Creek Drive Lumberton SC 29368*
- b** The form in which applications should be submitted and information and materials they should include:

*Application should be in writing & specify type of need*

**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	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
Name and address (home or business)				
<b>a</b> Paid during the year				
<p><del>See Schedule H</del> none</p> <p>American Red Cross</p>		<p>Public</p> <p>Public</p>	<p>Higher Education</p>	<p>83,326.</p> <p>1000</p>
<b>Total</b>				<b>3a</b> 84326.
<b>b</b> Approved for future payment				
<p>none</p>				
<b>Total</b>				<b>3b</b> none

**Part XVI-A Analysis of Income-Producing Activities**

Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	41	
4 Dividends and interest from securities				31412	
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	39238	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue: a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)					
13 Total. Add line 12, columns (b), (d), and (e)					70691.

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

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

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

3, 4, 8, 10, 12

**Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations**

- |       | Yes | No |
|-------|-----|----|
| 1a(1) |     | ✓  |
| 1a(2) |     |    |
| 1b(1) |     | ✓  |
| 1b(2) |     | ✓  |
| 1b(3) |     | ✓  |
| 1b(4) |     | ✓  |
| 1b(5) |     | ✓  |
| 1b(6) |     | ✓  |
| 1c    |     | ✓  |

Not applicable

- b** If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
--------------------------	--------------------------	---------------------------------

Signature of officer or trustee \_\_\_\_\_ Date \_\_\_\_\_ Title \_\_\_\_\_

**Paid  
Preparer's  
Use Only**



EIN ►

Phone no.

Albert Special Educational Trust 23-7203948 (19)

104 Creek Drive, Laurens, SC 29360

Siquelity Charitable Foundation

Assigned on Oct 31, 2009

The McGraw-Hill Foundation 57-1112302  
104 Creek Drive, Laurens, SC 29360

Market

Value, 6-30-09

Cost

Cash

2020187

2020187

Stocks - All Common

600 Sh Palmetto Bancshares

1200000

2190000

400 Sh BBT

879200

136935

300 Sh Bank of America

396000

117166

500 Sh Chesapeake Energy

991500

143733

500 Sh Cocal Systems

932500

1111290

100 Sh Deer

399500

855710

150 Sh Direct TV

370600

423142

300 Sh EMC Corp, Mass

393000

323400

200 Sh Express Scripts

1375000

1267178

200 Sh ERI

1131200

863126

400 Sh General Electric

468800

1767062

600 Sh Intel

993000

1365204

100 Sh International Business Machines

1044200

1154420

200 Sh Johnson and Johnson

1136000

859800

15 Sh Laboratory Corp, America

508900

419800

500 Sh Lowe's

970500

676203

400 Sh Microsoft

950900

1287400

400 Sh Norfolk and Southern RR

1506600

944532

150 Sh Peabody Energy

450900

294503

300 Sh PepsiCo

4396800

3968465

150 Sh Railton

666100

942602

100 Sh Target

394700

530000

200 Sh Union Pacific

1041200

170105

49 Sh Wells Fargo

118900

1012642

200 Sh Weatherford International

3911200

574102

80 Sh Transocean

594300

618039

Bonds or Preferred Stocks

Federal Home Loan Bd at 5.15% due 10-1-10

2619600

250000

Federal Home Loan Bd at 5.05% due 11-9-14

2613200

250000

Federal Natl Mts Assoc Bd at 8.25%

127000

250000

Federal Natl Mts Assoc Bd at 5.7% due 7-1-12

2609100

2525000

5167900

39373677

Total Gifts to McGraw-Hill Foundation

33692187

4139386

The address for the McGraw-Hill Foundation is the  
same 104 Creek Drive, Laurens, SC 29360

THE MCALISTER FOUNDATION  
Laurens, South Carolina  
SCHEDULE 1 - INVESTMENTS AT MARKET VALUE  
At April 30, 2010

57-1112302

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	Market Value	Cost	Unrealized Gain or (Loss)
<b>Bonds</b>			
Federal Farm Credit Bank \$25,000 at 5.15% due 10-29-14	25,526.60	26,140.00	(613.40)
Federal Home Loan Bank \$25,000 at 5.05% due 11-19-14	25,570.63	26,132.00	(561.37)
Goldman Sachs \$25,000 at 5.7% due 9-1-12	<u>26,545.20</u>	<u>26,091.00</u>	<u>454.20</u>
<b>Total Bonds</b>	77,642.43	78,363.00	(720.57)
<b>Common Stock</b>			
1,000 shares AFLAC	50,960.00	42,105.00	8,855.00
1,000 shares AT&T	26,060.00	38,390.00	(12,330.00)
1,600 shares Automatic Data Processing	69,392.00	67,744.00	1,648.00
2,000 shares Bard CR	173,060.00	116,788.00	56,272.00
4,968 shares BB&T	165,801.12	181,168.00	(15,366.88)
2,500 shares BP PLC ADR	130,375.00	148,552.00	(18,177.00)
4,742 shares General Electric	89,434.12	152,053.00	(62,618.88)
600 shares Intel	13,704.00	9,930.00	3,774.00
2,288 shares Johnson & Johnson	147,118.40	121,018.00	26,100.40
1,000 shares Massey Energy	36,630.00	48,815.00	(12,185.00)
800 shares Microsoft	24,428.00	21,382.00	3,046.00
1,800 shares Pepsico	117,396.00	99,778.00	17,618.00
1,000 shares United Technologies	74,950.00	63,111.00	11,839.00
4,049 shares Wells Fargo	134,062.39	132,210.00	1,852.39
600 shares Palmetto Bancshares	<u>4,800.00</u>	<u>12,000.00</u>	<u>(7,200.00)</u>
<b>Total Common Stock</b>	<u>1,258,171.03</u>	<u>1,255,044.00</u>	<u>3,127.03</u>
<b>Total Investments at Market Value</b>	<u>1,335,813.46</u>	<u>1,333,407.00</u>	<u>2,406.46</u>

The GAAP cost basis is the value of securities on the date donated.  
The securities purchased by the foundation are at historic cost. Some  
of the above are a combination of the two.

Subsequent to year end with a settlement date of May 5, 2010,  
1,000 shares of AT&T was sold for \$26,232.60 and 6,000 shares  
of Intel was sold for \$14,056.61.



## THE MCALISTER FOUNDATION

57-111 2302  
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Laurens, South Carolina

## SCHEDULE 2 - GAIN REALIZED ON SECURITIES SOLD

For Year Ended April 30, 2010

	<u>Date Acquired</u>	<u>Date Sold</u>	<u>Sales Proceeds</u>	<u>Cost</u>	<u>Gain or (Loss)</u>
300 shares of Bank of America	06-30-09	04-20-10	5,564.95	3,960.00	1,604.95
500 shares Chesapeake Energy	06-30-09	10-09-09	13,871.25	9,915.00	3,956.25
500 shares Cisco Systems	06-30-09	10-09-09	11,701.24	9,325.00	2,376.24
100 shares Deere & Co.	06-30-09	10-09-09	4,348.03	3,995.00	353.03
150 shares Direct T.V.	06-30-09	10-09-09	4,126.59	3,706.00	420.59
300 Shares EMC Corp Mass	06-30-09	10-09-09	5,229.34	3,930.00	1,299.34
200 shares Express Scripts	06-30-09	10-09-09	15,653.04	13,750.00	1,903.04
1,000 shares Fannie Mae Preferred	06-30-09	04-06-10	1,192.42	1,270.00	(77.58)
200 shaes FPL Group	06-30-09	10-09-09	10,816.97	11,372.00	(555.03)
100 shares IBM	06-30-09	10-09-09	12,127.83	10,442.00	1,685.83
75 shares Lab Corp of America	06-30-09	10-09-09	4,934.17	5,084.00	(149.83)
500 shares Lowes Companies	06-30-09	04-06-10	12,496.33	9,705.00	2,791.33
400 shares Norfolk Southern RR	06-30-09	10-09-09	17,798.99	15,066.00	2,732.99
150 shares Peabody Energy	06-30-09	10-09-09	5,730.20	4,524.00	1,206.20
150 shares Raytheon Co.	06-30-09	10-09-09	6,949.52	6,664.00	285.52
100 shares Target	06-30-09	04-06-10	5,389.05	3,947.00	1,442.05
80 shares Transocean	06-30-09	10-09-09	6,862.87	5,943.00	919.87
200 shares Union Pacific RR	06-30-09	10-09-09	11,797.34	10,412.00	1,385.34
200 shares Weatherford Internatl.	06-30-09	10-09-09	3,967.13	3,912.00	55.13
2,200 shares Exxon Mobil	04-25-06	04-19-10	150,336.50	134,733.80	15,602.70
Total Gains Realized			<u>310,893.76</u>	<u>271,655.80</u>	<u>39,237.96</u>

The 6-30-09 acquisition date above were securities donated by the liquidation of the Albert Dial Educational Trust.

See accountant's compilation report and notes to financial statements

57-1112302  
(17)

THE MCALISTER FOUNDATION

Laurens, South Carolina

SCHEDULE 3 - GRANTS AND GIFTS

For Year Ended April 30, 2010

ITT Tech grant for Timothy Lancaster	3,200.00
University of South Carolina grant for Michael Irby	9,333.00
S.C. State University grant for Jeremy Miller	20,051.00
Clemson University grant for William Noble	3,000.00
Clemson University grant for Burns Shaver	24,117.00
Clemson University grant for Cameron Gruelock	19,533.00
Francis Marion University grant for Megan Rice	1,500.00
University of South Carolina grant for Kerra Brown	<u>2,592.00</u>
Total Grants for Higher Education	83,326.00
American Red Cross	<u>1,000.00</u>
Total Grants and Gifts	<u><u>84,326.00</u></u>

See accountant's compilation report and notes to financial statements.