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

Department of the Treasury
Internal Revenue Service

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

2009

For calendar year 2009, or tax year beginning **JUL 1, 2009**, and ending **JUN 30, 2010**

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

THE WILLIAM AND VALERIE GAILLARD FOUNDATION, INC.

Number and street (or P O box number if mail is not delivered to street address) **126 W INDIANA AVE.** Room/suite

City or town, state, and ZIP code
BEACH HAVEN, NJ 08008

H Check type of organization: Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation

I Fair market value of all assets at end of year **\$ 770,910.** (Part I, column (d) must be on cash basis.) J Accounting method: Cash Accrual
 Other (specify) _____

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 ►

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)
1 Contributions, gifts, grants, etc., received		98,930.			
2 Check ► <input type="checkbox"/> if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		20,153.	20,153.	20,153.	STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10					
b Gross sales price for all assets on line 6a	869,071.				
7 Capital gain net income (from Part IV, line 2)			30,502.		
8 Net short-term capital gain				24,434.	
9 Income modifications					
Gross sales less returns and allowances					
b Less Cost of goods sold	RECEIVED				
c Gross profit or (loss)					
11 Other income					
12 Total Add lines 13 through 11		<97,297. >	50,655.	44,587.	
13 Compensation of officers, directors, trustees, etc.		0.	0.	0.	0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees	STMT 3	2,700.	0.	0.	0.
c Other professional fees					
17 Interest					
18 Taxes					
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses	STMT 4	54,665.	4,443.	0.	0.
24 Total operating and administrative expenses Add lines 13 through 23		57,365.	4,443.	0.	0.
25 Contributions, gifts, grants paid		187,500.			187,500.
26 Total expenses and disbursements. Add lines 24 and 25		244,865.	4,443.	0.	187,500.
27 Subtract line 26 from line 12:		<342,162. >			
a Excess of revenue over expenses and disbursements					
b Net investment income (if negative, enter -0-)			46,212.		
c Adjusted net income (if negative, enter -0-)				44,587.	

Part II	Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing		554.	1,214.	1,214.
	2 Savings and temporary cash investments		66,129.	98,456.	98,456.
	3 Accounts receivable ►				
	Less: allowance for doubtful accounts ►				
	4 Pledges receivable ►				
	Less: allowance for doubtful accounts ►				
	5 Grants receivable				
	6 Receivables due from officers, directors, trustees, and other disqualified persons				
	7 Other notes and loans receivable ►				
	Less: allowance for doubtful accounts ►				
	8 Inventories for sale or use				
	9 Prepaid expenses and deferred charges				
	10a Investments - U.S. and state government obligations				
	b Investments - corporate stock	STMT 6	72,668.	12,561.	170,670.
	c Investments - corporate bonds	STMT 7	253,294.	0.	0.
Liabilities	11 Investments - land, buildings, and equipment basis ►				
	Less accumulated depreciation ►				
	12 Investments - mortgage loans				
	13 Investments - other	STMT 8	389,069.	465,860.	500,570.
	14 Land, buildings, and equipment: basis ►				
	Less accumulated depreciation ►				
	15 Other assets (describe ►)				
	16 Total assets (to be completed by all filers)		781,714.	578,091.	770,910.
	17 Accounts payable and accrued expenses				
	18 Grants payable				
Net Assets or Fund Balances	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 ► <input type="checkbox"/>				
	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 ► <input checked="" type="checkbox"/>				
	and complete lines 27 through 31.				
	27 Capital stock, trust principal, or current funds		0.	138,539.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund		<766. >	<766. >	
	29 Retained earnings, accumulated income, endowment, or other funds		782,480.	440,318.	
Net Assets or Fund Balances	30 Total net assets or fund balances		781,714.	578,091.	
	31 Total liabilities and net assets/fund balances		781,714.	578,091.	

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	781,714.
2 Enter amount from Part I, line 27a	2	<342,162. >
3 Other increases not included in line 2 (itemize) ►	3	138,539.
4 Add lines 1, 2, and 3	4	578,091.
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	578,091.

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.)
a MERRILL LYNCH			P	VARIOUS	VARIOUS
b MERRILL LYNCH			P	VARIOUS	VARIOUS
c MERRILL LYNCH-5,745 UPS			D	VARIOUS	VARIOUS
d INVESTMENT-COLDSTONE			P	VARIOUS	06/30/10
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 273,277.		248,843.	24,434.		
b 273,277.		316,385.	<43,108.>		
c 317,517.		47,370.	270,147.		
d 5,000.		225,971.	<220,971.>		
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))		
(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			
a			24,434.		
b			<43,108.>		
c			270,147.		
d			<220,971.>		
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	30,502.	
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	{ If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8 }		3	24,434.	

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	166,037.	665,408.	.249527
2007	199,184.	967,775.	.205816
2006	141,927.	977,751.	.145157
2005	137,692.	1,084,188.	.127000
2004	153,762.	1,082,637.	.142025

- 2 Total of line 1, column (d) 2 .869525
- 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 .173905
- 4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5 4 736,613.
- 5 Multiply line 4 by line 3 5 128,101.
- 6 Enter 1% of net investment income (1% of Part I, line 27b) 6 462.
- 7 Add lines 5 and 6 7 128,563.
- 8 Enter qualifying distributions from Part XII, line 4 8 187,500.

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.

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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 ► <input type="checkbox"/> and enter "N/A" on line 1.	1	462.
	► 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 ► <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		
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	462.
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	462.
6	Credits/Payments		
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	700.
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	700.
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	Overpayment If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	238.
11	Enter the amount of line 10 to be: Credited to 2010 estimated tax ►	11	0.

Part VII-A Statements Regarding Activities

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?	Yes	No
1b	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		
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?	2	X
	If "Yes," attach a detailed description of the activities		
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?	4b	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year?	5	X
	If "Yes," attach the statement required by General Instruction T		
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either:		
	• By language in the governing instrument, or	6	X
	• 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?	7	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.		
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ►		
	<u>NJ</u>		
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)*

- 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)

12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?

13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A

14 The books are in care of ► WILLIAM & VALERIE GAILLARD Tel: Located at ► 126 W. INDIANA AVE., BEACH HAVEN, NJ

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

11		X
12		X
13	X	

Telephone no. ► (610) 239-6851

ZIP+4 ► 08008

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.

- 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

N/A

No

N/A

11

N/A

at

F

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

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

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

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

Organizations relying on a current notice regarding disaster assistance check here c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? **N/A**

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?

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

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?

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A**5b** Yes No Yes No**6b****X** Yes No Yes No**N/A****7b** 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.

(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
WILLIAM GAILLARD 126 W. INDIANA AVENUE BEACH HAVEN, NJ 08008	PRESIDENT, TREASURER 0.00	0.	0.	0.
VALERIE GAILLARD 126 W. INDIANA AVENUE BEACH HAVEN, NJ 08008	SECRETARY 0.00	0.	0.	0.
LARRY L. COOK 205 WYNCOTE COURT LANSDALE, PA 19446	VICE PRESIDENT 0.00	0.	0.	0.

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

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

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

0

Part VIII | Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3 Five highest-paid independent contractors for professional services. If none, enter "NONE."**

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

Total number of others receiving over \$50,000 for professional services ►

0

Part IX-A | Summary of Direct Charitable Activities

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

Expenses

1	N/A	
2		
3		
4		

Part IX-B | Summary of Program-Related Investments

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

Amount

1	N/A	
2		
3		
Total. Add lines 1 through 3 ►		0.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	725,860.
b	Average of monthly cash balances	1b	21,970.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	747,830.
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	747,830.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	11,217.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	736,613.
6	Minimum investment return. Enter 5% of line 5	6	36,831.

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

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	187,500.
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	187,500.
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	462.
6	Adjusted qualifying distributions Subtract line 5 from line 4	6	187,038.

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.

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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				0.
2 Undistributed income, if any, as of the end of 2008			0.	
a Enter amount for 2008 only			0.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2009:				
a From 2004	100,306.			
b From 2005	86,779.			
c From 2006				
d From 2007				
e From 2008				
f Total of lines 3a through e	187,085.			
4 Qualifying distributions for 2009 from Part XII, line 4. ► \$ N/A			0.	
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				0.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:	187,085.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
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	100,306.			
9 Excess distributions carryover to 2010 Subtract lines 7 and 8 from line 6a	86,779.			
10 Analysis of line 9:				
a Excess from 2005	86,779.			
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

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

- 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 ►

4942(j)(3) or 4942(j)(5)

- 2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

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

Tax year	Prior 3 years				(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
					N/A
					N/A
187,500.	166,650.	201,255.	143,536.	698,941.	
0.	0.	0.	0.	0.	0.
187,500.	166,650.	201,255.	143,536.	698,941.	
					N/A
					N/A
24,554.	22,180.	32,259.	32,592.	111,585.	
					N/A

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

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

- c Any submission deadlines:

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

Part XV. Supplementary Information (continued)

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

Recipient	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 9				
Total			► 3a	187,500.
b Approved for future payment				
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
	(a) Business code	(b) Amount	(c) Exclu- sion 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	
4 Dividends and interest from securities			14	20,153.	
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		<216,380. >
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.		20,153.	<216,380. >
13 Total. Add line 12, columns (b), (d), and (e)			13		<196,227. >
(See worksheet in line 13 instructions to verify calculations.)					

Relationship of Activities to the Accomplishment of Exempt Purposes

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

- 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
 - (2) Other assets

- b Other transactions:**

- (1) Sales of assets to a noncharitable exempt organization
 - (2) Purchases of assets from a noncharitable exempt organization
 - (3) Rental of facilities, equipment, or other assets
 - (4) Reimbursement arrangements
 - (5) Loans or loan guarantees
 - (6) Performance of services or membership or fundraising solicitation

- c Sharing of facilities, equipment, mailing lists, other assets, or paid employees**

- 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.

- 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		

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.

Sign Here

Signature of officer or trustee

Date

→ **Title**

Sign Here				Date	Check if self-employed	Preparer's identifying number
Paid Preparer's Use Only	Preparer's signature	 <i>Paula Wurdemann CPA</i>		11/01/10	<input checked="" type="checkbox"/>	Preparer's identifying number
Firm's name (or yours if self-employed), address, and ZIP code	WURDEMANN, PINTO & CO., LLC 101 EAST MAIN STREET BOGOTA, NJ 07603			EIN	Phone no. 201-343-3180	

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

**THE WILLIAM AND VALERIE
GAILLARD FOUNDATION, INC.**

Employer identification number

22-3760258

Organization type (check one)

Filers of:

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

 501(c)(3) exempt private foundation
 4947(a)(1) nonexempt charitable trust treated as a private foundation
 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions**General Rule** For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II**Special Rules**

- For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) 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)LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions
for Form 990, 990-EZ, or 990-PF.

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

Name of organization

THE WILLIAM AND VALERIE
GAILLARD FOUNDATION, INC.

Employer identification number

22-3760258

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	WILLIAM AND VALERIE GAILLARD 126 W. INDIANA AVE. BEACH HAVEN, NJ 08008	\$ 1,969.	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input checked="" type="checkbox"/> Noncash <small>(Complete Part II if there is a noncash contribution)</small>
2	WILLIAM AND VALERIE GAILLARD 126 W. INDIANA AVE. BEACH HAVEN, NJ 08008	\$ 5,000.	<input checked="" type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <small>(Complete Part II if there is a noncash contribution)</small>
	Name, address, and ZIP + 4	\$	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <small>(Complete Part II if there is a noncash contribution)</small>
	Name, address, and ZIP + 4	\$	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <small>(Complete Part II if there is a noncash contribution)</small>
	Name, address, and ZIP + 4	\$	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <small>(Complete Part II if there is a noncash contribution)</small>
	Name, address, and ZIP + 4	\$	<input type="checkbox"/> Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <small>(Complete Part II if there is a noncash contribution)</small>

Name of organization

THE WILLIAM AND VALERIE
GAILLARD FOUNDATION, INC.

Employer identification number

22-3760258

Part II Noncash Property (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	1,642 SHARES OF UPS STOCK	\$ 98,930.	06/10/10
		\$	
		\$	
		\$	
		\$	
		\$	

FORM 990-PF

GAIN OR (LOSS) FROM SALE OF ASSETS

STATEMENT 1

(A) DESCRIPTION OF PROPERTY			MANNER ACQUIRED	DATE ACQUIRED		DATE SOLD
				PURCHASED	VARIOUS	
MERRILL LYNCH				PURCHASED	VARIOUS	VARIOUS
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E)	(F)		
273,277.	248,843.	0.	0.	24,434.		

(A) DESCRIPTION OF PROPERTY			MANNER ACQUIRED	DATE ACQUIRED		DATE SOLD
				PURCHASED	VARIOUS	
MERRILL LYNCH				PURCHASED	VARIOUS	VARIOUS
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E)	(F)		
273,277.	316,385.	0.	0.	<43,108.>		

(A) DESCRIPTION OF PROPERTY			MANNER ACQUIRED	DATE ACQUIRED		DATE SOLD
				DONATED	VARIOUS	
MERRILL LYNCH-5,745 UPS				DONATED	VARIOUS	VARIOUS
(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E)	(F)		
317,517.	294,252.	0.	0.	23,265.		

(A) DESCRIPTION OF PROPERTY		MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
INVESTMENT-COLDSTONE		PURCHASED	VARIOUS	06/30/10
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
5,000.	225,971.	0.	0.	<220,971.0.
CAPITAL GAINS DIVIDENDS FROM PART IV				0.
TOTAL TO FORM 990-PF, PART I, LINE 6A				<216,380.0.

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	2
SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
MERRILL LYNCH -04B42	7,012.	0.	7,012.
MERRILL LYNCH -07H39	13,141.	0.	13,141.
TOTAL TO FM 990-PF, PART I, LN 4	20,153.	0.	20,153.

FORM 990-PF		ACCOUNTING FEES	STATEMENT	3
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	2,700.	0.	0.	0.
TO FORM 990-PF, PG 1, LN 16B	2,700.	0.	0.	0.

FORM 990-PF	OTHER EXPENSES	STATEMENT	4	
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MERRILL LYNCH FEES	4,443.	4,443.	0.	0.
MISC. FEES	2,472.	0.	0.	0.
INSURANCE	44,680.	0.	0.	0.
CONFERENCE AND MISSION TRIP FEES	3,070.	0.	0.	0.
TO FORM 990-PF, PG 1, LN 23	54,665.	4,443.	0.	0.

FORM 990-PF	OTHER INCREASES IN NET ASSETS OR FUND BALANCES	STATEMENT	5
DESCRIPTION	AMOUNT		
ADJUSTMENT TO COST BASIS-FMV VS. COST		137,829.	
FEDERAL TAX REFUND		710.	
TOTAL TO FORM 990-PF, PART III, LINE 3		138,539.	

FORM 990-PF	CORPORATE STOCK	STATEMENT	6
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE	
UPS STOCK	12,561.	170,670.	
TOTAL TO FORM 990-PF, PART II, LINE 10B	12,561.	170,670.	

FORM 990-PF	CORPORATE BONDS	STATEMENT	7
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE	
MERRILL LYNCH-CORP. BONDS	0.	0.	
CORP. BONDS-COLDSTONE CREAMERY	0.	0.	
TOTAL TO FORM 990-PF, PART II, LINE 10C	0.	0.	

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	8
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
MERRILL LYNCH-STOCKS	COST	0.	0.
MERRILL LYNCH-MUTUAL FUNDS	COST	458,113.	490,349.
MERRILL LYNCH-SPDR GOLD	COST	7,747.	10,221.
TOTAL TO FORM 990-PF, PART II, LINE 13		465,860.	500,570.

FORM 990-PF	GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR	STATEMENT	9
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RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
YOUTH FOR CHRIST	CHARITABLE	NONE	15,000.
PHIL DIST CH OF NAZARENE	CHARITABLE		25,000.
EMMANEUL CHURCH	CHURCH	NONE	68,000.
CORNERSTONE CHURCH	CHARITABLE	NONE	5,000.
FOCUS ON THE FAMILY	CHARITABLE		1,000.
NEW CHURCH SPECIALTIES	CHARITABLE		16,500.

MATT 25 HOPE	CHARITABLE	5,000.
SALVATION ARMY	CHARITABLE	25,000.
HARVEST PARTNERS	CHARITABLE	15,000.
WORLD TEAM	CHARITABLE	2,000.
CROWN FIN MINISTRIES	CHARITABLE	5,000.
TAMANI MINISTRIES	CHARITABLE	2,500.
CHARIOTS FOR HOPE	CHARITABLE	2,500.
TOTAL TO FORM 990-PF, PART XV, LINE 3A		187,500.