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Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust

Treated as a Private Foundation

OMB No 1545-0052

2009

Department of the Treasury
Internal Revenue Service

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

For calendar year 2009, or tax year beginning 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.	Name of foundation Cleo Lawson Mitchell Scholarship		A Employer identification number 23-7179494
	Number and street (or P.O. box number if mail is not delivered to street address)	Room/suite	B Telephone number 276 979 0358
	City or town, state, and ZIP code Tazewell, VA 24651		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 ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation			E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 196679. (Part I, column (d) must be on cash basis)		J Accounting method: ☒ Cash Accrual Other (specify) _____	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)
Revenue	1 Contributions, gifts, grants, etc., received			N/A	
	2 Check ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	4121.	4121.		Statement 1
	4 Dividends and interest from securities	4101.	4101.		Statement 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	-7684.			
	b Gross sales price for all assets on line 6a	118818.			
	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	538.	8222.			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	1663.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees Stmt 3	520.	0.		0.
	c Other professional fees				
	17 Interest				
	18 Taxes Stmt 4	127.	0.		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	2310.	0.		0.	
25 Contributions, gifts, grants paid	11000.			11000.	
26 Total expenses and disbursements. Add lines 24 and 25	13310.	0.		11000.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-12772.				
b Net investment income (if negative, enter -0-)		8222.			
c Adjusted net income (if negative, enter -0-)			N/A		

Part II Balance Sheets		Beginning of year		End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value	
Assets	1 Cash - non-interest-bearing				
	2 Savings and temporary cash investments	12358.	57190.	57190.	
	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	75000.	10000.	10197.	
	b Investments - corporate stock Stmt 6	24354.	21750.	20046.	
	c Investments - corporate bonds Stmt 7	103097.	113097.	109246.	
11 Investments - land, buildings, and equipment basis ▶					
Less accumulated depreciation ▶					
12 Investments - mortgage loans					
13 Investments - other					
14 Land, buildings, and equipment basis ▶					
Less accumulated depreciation ▶					
15 Other assets (describe ▶)					
16 Total assets (to be completed by all filers)	214809.	202037.	196679.		
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	0.	0.		
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.		
	29 Retained earnings, accumulated income, endowment, or other funds	214809.	202037.		
30 Total net assets or fund balances	214809.	202037.			
31 Total liabilities and net assets/fund balances	214809.	202037.			

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	214809.
2 Enter amount from Part I, line 27a	2	-12772.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	202037.
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	202037.

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			
b See Attached Statement			
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			
b			
c			
d			
e 118818.		126502.	-7684.

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			
b			
c			
d			
e			-7684.

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	-7684.
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	11873.	191607.	.061965
2007	11916.	210807.	.056526
2006	11919.	217202.	.054875
2005	11924.	217196.	.054900
2004	11929.	224352.	.053171

2 Total of line 1, column (d)	2	.281437
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	.056287
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	193546.
5 Multiply line 4 by line 3	5	10894.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	82.
7 Add lines 5 and 6	7	10976.
8 Enter qualifying distributions from Part XII, line 4	8	11000.
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)	1	82.
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b	2	0.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)	3	82.
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0.
3	Add lines 1 and 2	5	82.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	6a	
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	6b	
6	Credits/Payments:	6c	
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6d	
b	Exempt foreign organizations - tax withheld at source	7	0.
c	Tax paid with application for extension of time to file (Form 8868)	8	
d	Backup withholding erroneously withheld	9	82.
7	Total credits and payments. Add lines 6a through 6d	10	
8	Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	11	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		
11	Enter the amount of line 10 to be: Credited to 2010 estimated tax ☐ Refunded ☐		

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?		X
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		X
1c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ☐ \$ 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?	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) ☐ None		
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)	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? Website address ► "N/A"	13	X	
14	The books are in care of ► <u>National Bank Trust Department</u> Telephone no. ► <u>(276) 979-0358</u> Located at ► <u>P.O. Box 687; Tazewell, VA</u> ZIP+4 ► <u>24651</u>			
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 X No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	Yes X No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	Yes X No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	Yes X 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 X 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 X 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)? Organizations relying on a current notice regarding disaster assistance check here	N/A	1b
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? If "Yes," list the years ►	Yes X No	
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 X 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

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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)?

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
Charlotte Viers Bluefield, VA 24605	Chairperson	0.00	0.	0.
Bobby Hart Bluefield, VA 24605	Trustee	0.00	0.	0.
Lois Mullins Bluefield, VA 24605	Trustee	0.00	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 None	
	0.
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 None	
	0.
2	
All other program-related investments. See instructions.	
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	196493.
b	Average of monthly cash balances	1b	
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	196493.
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	196493.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	2947.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	193546.
6	Minimum investment return. Enter 5% of line 5	6	9677.

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	9677.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	82.
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	82.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	9595.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	9595.
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	9595.

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	11000.
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	11000.
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	82.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	10918.

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				9595.
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				
b From 2005				
c From 2006				
d From 2007	303.			
e From 2008	2547.			
f Total of lines 3a through e	2850.			
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ \$ 11000.				
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				9595.
e Remaining amount distributed out of corpus	1405.			
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	4255.			
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	0.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	4255.			
10 Analysis of line 9:				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007	303.			
d Excess from 2008	2547.			
e Excess from 2009	1405.			

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. | | |

[illegible]

- 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 <i>David M. Nichols</i>		Date <i>8/17/10</i>	Title <i>Vice President</i>
	Preparer's signature <i>David M. Nichols</i> Firm's name (or yours if self-employed), address, and ZIP code David M. Nichols, CPA P.O. Box 654 Tazewell, VA 24651-0654		Date <i>8/17/10</i>	Check if self-employed ☒ X Preparer's identifying number EIN 15-1234567 Phone no. (276) 988-2428

Form **990-PF** (2009)

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 U. S. Government securities		P	01/23/09	04/01/10
b Fidelity contra fund		P		
c Pimco		P		
d 10000 Cit Group		P	02/14/08	07/16/09
e 20000 FHLMC		P	05/15/09	06/14/10
f 20000 FHLB		P	04/09/09	04/14/10
g 69 Kraft foods		P	10/27/03	12/01/09
h 150 Pfizer Inc		P	03/22/00	10/19/09
i Pimco total return		P		
j				
k				
l				
m				
n				
o				

(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 70000.		70000.	0.
b 7.			7.
c 41.			41.
d 4290.		10000.	-5710.
e 20000.		20000.	0.
f 20000.		20000.	0.
g 1830.		1083.	747.
h 2638.		5419.	-2781.
i 12.			12.
j			
k			
l			
m			
n			
o			

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			0.
b			7.
c			41.
d			-5710.
e			0.
f			0.
g			747.
h			-2781.
i			12.
j			
k			
l			
m			
n			
o			

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	-7684.
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 XV: Page 9

- 2(a) Mrs. Charlotte Viers, Guidance Counselor
Mr. Bill Kinser, Chairperson
Graham High School
Bluefield, VA 24605
Telephone (540)-326-1235**
- 2(b) Application procedure:**
- Student must write a letter to the scholarship committee and include the following information:**
- a. The course the student plans to pursue.**
 - b. College selected to attend.**
 - c. Cost of tuition and other expenses.**
 - d. Statement of family's income and obligations and the amount the student's family will be able to provide each year.**
 - e. The amount of financial aid needed each year.**
 - f. Other financial aid for which student has applied for or has been granted.**
- 2(c) Third week of April prior to graduation from Graham High School.**
- 2(d) No restriction such as geographical areas, charitable fields or kinds of institutions. Other factors include graduation from Graham High School as a resident of Tazewell County, and must be in the top 25% of the graduating class.**

Form 990-PF Interest on Savings and Temporary Cash Investments Statement 1

Source	Amount
Other Interest	1825.
US Government Interest	2296.
Total to Form 990-PF, Part I, line 3, Column A	4121.

Form 990-PF Dividends and Interest from Securities Statement 2

Source	Gross Amount	Capital Gains Dividends	Column (A) Amount
Dividends	4101.	0.	4101.
Total to Fm 990-PF, Part I, ln 4	4101.	0.	4101.

Form 990-PF Accounting Fees Statement 3

Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
CPA fee for preparation of 2008 990-PF	520.	0.		0.
To Form 990-PF, Pg 1, ln 16b	520.	0.		0.

Form 990-PF Taxes Statement 4

Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
2008 PF-990 Tax Due	127.	0.		0.
To Form 990-PF, Pg 1, ln 18	127.	0.		0.

Form 990-PF	U.S. and State/City Government Obligations	Statement	5
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Description	U.S. Gov't	Other Gov't	Book Value	Fair Market Value
US Government Obligations	X		10000.	10197.
Total U.S. Government Obligations			10000.	10197.
Total State and Municipal Government Obligations				
Total to Form 990-PF, Part II, line 10a			10000.	10197.

Form 990-PF	Corporate Stock	Statement	6
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Description	Book Value	Fair Market Value
Corporate stocks	21750.	20046.
Total to Form 990-PF, Part II, line 10b	21750.	20046.

Form 990-PF	Corporate Bonds	Statement	7
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Description	Book Value	Fair Market Value
Corporate bonds	34835.	36843.
Corporate notes	78262.	72403.
Total to Form 990-PF, Part II, line 10c	113097.	109246.

Report Date.

July 06, 2010

NATIONAL BANK

Time Prepared:

01:22:11 PM

Requested By:

Steve Barrett

Includes:

Account: 23 00 5751 0 04 CLEO LAWSON MITCHELL SCHOLARSHIP

Account Holdings as of 6/30/2010

Cusip No.	Security Name	Shares / Par	Investment	Unit Price	Market Value	Price Date
U.S. GOVT AGENCY OBLIGATIONS						
31331JKF9	FFCB 3.37% 4/8/16	10,000.0000	10,000.00	101.969	10,196.90	06/30/2010
Total	U.S. GOVT AGENCY OBLIGATIONS	10,000.0000	10,000.00		10,196.90	
CORPORATE BONDS & NOTES						
00206RAJ1	AT&T 5.50% 2/1/18	15,000.0000	14,835.00	110.583	16,587.45	06/30/2010
36966RW69	GE 5% 3/15/17	20,000.0000	20,000.00	101.277	20,255.40	06/30/2010
Total	CORPORATE BONDS & NOTES	35,000.0000	34,835.00		36,842.85	
COMMON STOCK						
00206R102	AT&T INC	100.0000	2,510.73	24.19	2,419.00	06/30/2010
02209S103	ALTRIA GROUP INC	100.0000	1,053.93	20.04	2,004.00	06/30/2010
060505104	BANK OF AMERICA CORP	225.0000	7,479.74	14.37	3,233.25	06/30/2010
718172109	PHILIP MORRIS INTL	100.0000	2,416.19	45.84	4,584.00	06/30/2010
742718109	PROCTER & GAMBLE	50.0000	3,158.00	59.98	2,999.00	06/30/2010
931142103	WAL-MART STORES INC	100.0000	5,131.65	48.07	4,807.00	06/30/2010
Total	COMMON STOCK	675.0000	21,750.24		20,046.25	
PREFERRED STOCK						
05518E202	BANK OF AM PFD 7%	200.0000	5,000.00	22.38	4,476.00	06/30/2010
17306N203	CITIGROUP CAP VII	350.0000	9,100.00	22.44	7,854.00	06/30/2010
29364D795	ENTERGY ARKANSAS PFD	200.0000	5,000.00	25.50	5,100.00	06/30/2010
46626V207	JP MORGAN CHASE CAP	200.0000	4,996.00	22.98	4,596.00	06/30/2010
617462205	MORGAN STANLEY CAP	200.0000	5,000.00	21.32	4,264.00	06/30/2010
73941X601	GOLDMAN SACHS PFD 6%	200.0000	5,000.00	21.41	4,282.00	06/30/2010
80410Y200	GE CAP CORP PFD 6%	200.0000	4,954.00	24.36	4,872.00	06/30/2010
94979B204	WELLS FARGO QRTLY	400.0000	9,212.00	22.93	9,172.00	06/30/2010
Total	PREFERRED STOCK	1,950.0000	48,262.00		44,616.00	
MUTUAL FUNDS-EQUITY						
316071109	FIDEL CONTRA FND 22	85.3240	5,000.00	55.39	4,726.10	06/30/2010
471023101	JANUS FUND	152.5180	5,000.00	24.09	3,674.16	06/30/2010
683974505	OPPENHEIMER DEVELOP	166.0030	5,000.00	27.46	4,558.44	06/30/2010
693390700	PIMCO TOTAL RETURN B	477.5550	5,000.00	11.26	5,377.27	06/30/2010
77954M105	T ROWE PRICE CAP APP	253.4210	5,000.00	17.85	4,523.56	06/30/2010
921938106	VANGUARD WELLESLEY	242.3660	5,000.00	20.33	4,927.30	06/30/2010
Total	MUTUAL FUNDS-EQUITY	1,377.1870	30,000.00		27,786.83	
Total Corporate Notes					72,408.83	
MISC CASH EQUIV-TAXABLE						
09248U619	BLACKROCK TP #24 PRN	57,190.0400	57,190.04		57,190.04	09/24/2008
Total	MISC CASH EQUIV-TAXABLE	57,190.0400	57,190.04		57,190.04	
Total Securities		106,192.2270	202,037.28		196,678.87	
Income Cash			32,154.41		32,154.41	
Principal Cash			-32,154.41		-32,154.41	
Account Total			202,037.28		196,678.87	