Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2009

For calendar year 2009, or tax year beginning 07/01/09 **, and ending** 06/30/10

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
The Solon & Martha Dixon Foundation
Foundation

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
P. O. Drawer 990

City or town, state, and ZIP code
Andalusia AL 36420

A Employer identification number
63-0812726

B Telephone number (see page 10 of the instructions)
334-222-3138

C If exemption application is pending, check here ▶ [ ]
D 1 Foreign organizations, check here ▶ [ ]
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ [ ]
E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ [ ]
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ [ ]

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

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ $ 16,003,594

J Accounting method [X] Cash [ ] Accrual
[ ] Other (specify)
(Part I, column (d) must be on cash basis)

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))

	Line	Description	(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)				
	2	Check ▶ [X] if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments	567	567		
	4	Dividends and interest from securities	510,114	510,114		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10 Stmt 1	-349,807			
	b	Gross sales price for all assets on line 6a 612,001				
	7	Capital gain net income (from Part IV, line 2)		0		
	8	Net short-term capital gain			0	
	9	Income modifications				
	10a	Gross sales less returns & allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule) Stmt 2	16,798	16,798		
	12	**Total.** Add lines 1 through 11	177,672	527,479	0	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	88,000	22,000		66,000
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)				
	c	Other professional fees (attach schedule) Stmt 3	194,055	194,055		
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions) Stmt 4	8,628	2,478		
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (att sch) Stmt 5	3,317	1,457		1,860
	24	**Total operating and administrative expenses.** Add lines 13 through 23	294,000	219,990		67,860
	25	Contributions, gifts, grants paid	730,451			730,451
	26	**Total expenses and disbursements.** Add lines 24 and 25	1,024,451	219,990	0	798,311
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	-846,779			
	b	**Net investment income** (if negative, enter -0-)		307,489		
	c	**Adjusted net income** (if negative, enter -0-)			0	

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Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets 1	Cash—non-interest-bearing	1,041,227	777,155	777,155
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 (att schedule) ▶ Less allowance for doubtful accounts ▶			
8	Inventories for sale or use			
9	Prepaid expenses and deferred charges	15,566	18,082	18,082
10a	Investments—U S and state government obligations (attach schedule) Stmt 6	2,548,314	2,548,314	2,646,600
b	Investments—corporate stock (attach schedule) See Stmt 7	11,489,079	10,249,996	7,973,274
c	Investments—corporate bonds (attach schedule) See Stmt 8	3,271,282	3,904,955	4,140,250
11	Investments—land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶			
12	Investments—mortgage loans			
13	Investments—other (attach schedule)			
14	Land, buildings, and equipment basis ▶ 448,233 Less accumulated depreciation (attach sch) ▶ Stmt 9	450,230	448,233	448,233
15	Other assets (describe ▶)			
16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	18,815,698	17,946,735	16,003,594
Liabilities 17	Accounts payable and accrued expenses	1,325	1,325	
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	**Total liabilities** (add lines 17 through 22)	1,325	1,325	
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			
28	Paid-in or capital surplus, or land, bldg , and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds	18,814,373	17,945,410	
30	**Total net assets or fund balances** (see page 17 of the instructions)	18,814,373	17,945,410	
31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	18,815,698	17,946,735	

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	18,814,373
2	Enter amount from Part I, line 27a	2	-846,779
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	17,967,594
5	Decreases not included in line 2 (itemize) ▶ See Statement 10	5	22,184
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	17,945,410

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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	N/A			
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				
b				
c				
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				
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**

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	1,084,083	15,436,032	0.070231
2007	1,265,352	20,175,631	0.062717
2006	880,271	19,471,514	0.045208
2005	826,850	18,378,900	0.044989
2004	782,182	17,726,552	0.044125

2	**Total** of line 1, column (d)	2	0.267270
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.053454
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	16,379,781
5	Multiply line 4 by line 3	5	875,565
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	3,075
7	Add lines 5 and 6	7	878,640
8	Enter qualifying distributions from Part XII, line 4	8	798,311

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

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1				
	Date of ruling or determination letter (attach copy of letter if necessary—see instructions)				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b			1	6,150
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	6,150
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	6,150
6	Credits/Payments				
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	14,468		
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	14,468
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached			8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	8,318
11	Enter the amount of line 10 to be **Credited to 2010 estimated tax** ▶ 8,318 **Refunded** ▶			11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		X
	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 ▶ $ ______ **(2)** On foundation managers ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ______			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either. • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ AL			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? 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

Part VII-A Statements Regarding Activities (continued)

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ Jones & Associates, P. C. Telephone no ▶ 334-222-3138
P. O. Drawer 990
Located at ▶ Andalusia, AL ZIP+4 ▶ 36420

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

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

				Yes	No
1a	During the year did the foundation (either directly or indirectly)				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☒ Yes ☐ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? **(Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?		1b		X
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?	N/A	1c		
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))				
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009?	☐ Yes ☒ No			
	If "Yes," list the years ▶ 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)	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 ▶ 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?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2009 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009)	N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?		4b		X

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

5a	During the year did the foundation pay or incur any amount to				
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes ☒ No			
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	☐ Yes ☒ No			
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes ☒ No			
	(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see 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)?	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 (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
See Statement 11				

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
NONE		

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

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see 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 N/A	
2	
All other program-related investments See page 24 of the instructions 3	
Total. Add lines 1 through 3 ▶	

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	14,973,345
b	Average of monthly cash balances		1b	1,207,641
c	Fair market value of all other assets (see page 24 of the instructions)		1c	448,233
d	**Total** (add lines 1a, b, and c)		1d	16,629,219
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	16,629,219
4	Cash deemed held for charitable activities Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)		4	249,438
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4		5	16,379,781
6	**Minimum investment return.** Enter 5% of line 5		6	818,989

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	818,989
2a	Tax on investment income for 2009 from Part VI, line 5	2a 6,150		
b	Income tax for 2009 (This does not include the tax from Part VI)	2b		
c	Add lines 2a and 2b		2c	6,150
3	Distributable amount before adjustments Subtract line 2c from line 1		3	812,839
4	Recoveries of amounts treated as qualifying distributions		4	
5	Add lines 3 and 4		5	812,839
6	Deduction from distributable amount (see page 25 of the instructions)		6	
7	**Distributable amount** as adjusted. Subtract line 6 from line 5 Enter here and on Part XIII, line 1		7	812,839

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	798,311
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	798,311
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	0
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	798,311

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				812,839
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			687,037	
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 **Total** of lines 3a through e				
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ $ 798,311				
a Applied to 2008, but not more than line 2a			687,037	
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				111,274
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				701,565
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 **Excess distributions carryover to 2010.** Subtract lines 7 and 8 from line 6a				
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				

DAA

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)

	Tax year	Prior 3 years			
	(a) 2009	**(b)** 2008	**(c)** 2007	**(d)** 2006	**(e) Total**
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon **a** "Assets" alternative test—enter· **(1)** Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter **(1)** Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year—see 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))

N/A

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

N/A

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

N/A

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

N/A

c Any submission deadlines

N/A

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

N/A

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year See Statement 12				730,451
Total			▶ 3a	730,451
b Approved for future payment N/A				
Total			▶ 3b	

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	567	
4 Dividends and interest from securities			14	510,114	
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			15	16,798	
8 Gain or (loss) from sales of assets other than inventory			14	-349,807	
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		177,672	0

13 **Total.** Add line 12, columns (b), (d), and (e) 13 177,672

(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)
N/A	

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
N/A			

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge

[signature] 5-16-11 EXECUTIVE VICE PRESIDENT

Signature of officer or trustee — Date — Title

Paid Preparer's Use Only

Preparer's signature	Date 05/16/11	Check if self-employed ☐	Preparer's identifying number (see Signature on page 30 of the instructions)
Firm's name (or yours if self-employed), address, and ZIP code		EIN	Phone no

DAA

Federal Statements

Taxable Interest on Investments

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code
Interest Earned	$ 567		14	AL
Total	$ 567			

Taxable Dividends from Securities

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code
Dividends on Stocks	$ 193,939		14	AL
Interest-Corp/Gov Notes & Bds	316,175		14	
Total	$ 510,114			

Other Investment Income

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code
Oil Royalties	$ 16,798		15	AL
Total	$ 16,798			

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets

Description: Whom Sold	Date Acquired	Date Sold	How Received: Sale Price	Cost	Expense	Depreciation	Net Gain / Loss
Litigation Settlements			Purchase				
	Various	Various	$ 3,329	$	$	$	$ 3,329
Standing Pine & Hardwood Timber			Purchase				
	Various	9/22/10	2,219	1,997	222		
"Publicly Traded Securities"			Purchase				
	Various	6/30/10	606,453				606,453
"Publicly Traded Securities"			Purchase				
	Various	6/30/10		959,589			-959,589
Total			$ 612,001	$ 961,586	$ 222	$ 0	$ -349,807

Statement 2 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
Oil Royalties	$ 16,798	$ 16,798	$
Total	$ 16,798	$ 16,798	$ 0

Statement 3 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Investment Management Fees	$ 194,055	$ 194,055	$	$
Total	$ 194,055	$ 194,055	$ 0	$ 0

Federal Statements

Statement 4 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Foreign Taxes	$ 2,478	$ 2,478	$	$
Federal Excise Taxes	6,150			
Total	$ 8,628	$ 2,478	$ 0	$ 0

Statement 5 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	$	$	$	$
Expenses				
Office Expense & Postage	800	400		400
Dues	510	255		255
Insurance	807	202		605
Rent	1,000	500		500
Utilities	200	100		100
Total	$ 3,317	$ 1,457	$ 0	$ 1,860

Statement 6 - Form 990-PF, Part II, Line 10a - US and State Government Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
U S Government Obligations				
	$ 2,548,314	$ 2,548,314	Cost	$ 2,646,600
Total	$ 2,548,314	$ 2,548,314		$ 2,646,600

Statement 7 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
Corporate Stock				
	$ 11,489,079	$ 10,249,996	Cost	$ 7,973,274
Total	$ 11,489,079	$ 10,249,996		$ 7,973,274

Statement 8 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
Corporate Bonds				
	$ 3,271,282	$ 3,904,955	Cost	$ 4,140,250
Total	$ 3,271,282	$ 3,904,955		$ 4,140,250

Federal Statements

Statement 9 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
Land - 100 Acres	$ 450,230	$ 448,233	$	$ 448,233
Total	$ 450,230	$ 448,233	$ 0	$ 448,233

Statement 10 - Form 990-PF, Part III, Line 5 - Other Decreases

Description	Amount
Prior Years Prepaid Expenses and Taxes	$ 22,184
Total	$ 22,184

Federal Statements

Statement 11 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees, Etc.

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
Martha B Dixon P. O. Drawer 990 Andalusia AL 36420	Dir. Emerita	0.50	9,200	0	0
Doris B Tyler P. O. Drawer 990 Andalusia AL 36420	President	6.00	51,200	0	0
Frank McGuire P. O. Drawer 990 Andalusia AL 36420	V. Pres.	1.50	9,200	0	0
Louisa B Mann P. O. Drawer 990 Andalusia AL 36420	Secretary	1.50	9,200	0	0
Phillip G Jones P. O. Drawer 990 Andalusia AL 36420	Exec V P	8.00	9,200	0	0

Federal Statements

Statement 12 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year

Name / Address	Address / Relationship	Status	Purpose	Amount
Auburn Univ Foundation Auburn AL 36849	317 South College Street	Education	Forestry Ed Ctr Renovate Dorms	45,784
Auburn Univ Foundation Auburn AL 36849	317 South College Street	Education	Glass Cockpit Flight Trng Device FTD	25,000
Alabama Lions Sight Con Birmingham AL 35233	700 South 18th St	Tax Exempt	Support for Purpose of Entity	1,000
Alabama Public Television Birmingham AL 35205	2112 11th Avenue South	Tax Exempt	Support for Purpose of Entity	2,000
American Red Cross Andalusia AL 36420	234 Hillcrest Drive	Tax Exempt	Fires, Disasters and Training	10,000
Alabama Kidney Foundation Birmingham AL 36420	P. O. Box 12505	Tax Exempt	Support for Purpose of Entity	1,000
Alabama Junior Miss Andalusia AL 36420	1705 Cedar Road	Tax Exempt	Support Scholarship Program	2,000
Andalusia Ballet Assoc Andalusia AL 36420	1216 East Three Notch St	Tax Exempt	Sponsor Performers & Guest Dancers	5,000
Covington Cnty Arts Counc Andalusia AL 36420	1000 Dannelly Blvd	Tax Exempt	Support for Purpose of Entity	6,500
Children's Hospital Found Birmingham AL 35233	1600 7th Avenue South	Medical	Keeping Promises Capital Campaign	20,000
Covington Cnty Commission Andalusia AL 36420	Hillcrest Drive	Govt	Seating-Intake Area & 2 Waiting Rms	8,350
Covington Cnty Commission Andalusia AL 36420	Hillcrest Drive	Govt	Covington Region Honor Flight	2,500
City of Andalusia Andalusia AL 36420	505 East Three Notch St	Govt	Murals to Promote City	10,000
Lyman Ward Military Acade Camp Hill AL 36850	P. O. Drawer 550	Education	Remodel & Refurbish Classroom	12,522
Sav-A-Life Inc. Andalusia AL 36420	1835 East Three Notch St	Tax Exempt	Support for Purpose of Entity	5,000
Opportunity House Inc. Opp AL 36467	P. O. Box 554	Tax Exempt	Prevention of Domestic Violence	25,000
Easter Seals Camp ASCCA Jackson's Gap AL 36861	P. O. Box 21	Tax Exempt	Rock Levy & Accessible Fishing Deck	5,000
Alabama Eye Bank Birmingham AL 35209	500 Robert Jemison Road	Tax Exempt	Support for Purpose of Entity	1,000
Opp City Schools Opp AL 36467	P. O. Box 810	Education	OMS 8th Grade Technology Lab	25,000

Federal Statements

Statement 12 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)

Name / Address	Address / Relationship	Status	Purpose	Amount
Covington County Schools Andalusia AL 36420	P. O. Box 460	Education	CompassLearning Odyssey	20,155
City of Opp Opp AL 36467	101 North Main	Govt	Opp Public Library Books & Equipment	6,000
Crossover Ministries Inc Opp AL 36467	508 Highway 52 East	Tax Exempt	Men and Women's Drug Recovery Prog	25,000
Andalusia Comm Christmas Andalusia AL 36420	P. O. Box 1525	Tax Exempt	Christmas for Community Children	2,500
Covington Cnty Forestry Andalusia AL 36420	1803 Dr. MLK, Jr. Expy	Govt	2 52 Gal Water Tanks & 2 Aqua Duk Pu	3,990
Mizell Memorial Hosp Fd Opp AL 36467	P. O. Box 1010	Tax Exempt	Support for Purpose of Entity	1,000
Cov Cnty Soil & Water Andalusia AL 36421	115 South Ridge Road	Govt	Education Program for 4th Graders	1,750
Discovering AL Museum Tuscaloosa AL 35487	103 Smith Hall	Education	Promote Natural Science/Conservation	50,000
AL Child Caring Foundatio Birmingham AL 35283	P. O. Box 830870	Tax Exempt	Med Coverage for Uninsured Children	2,400
Volunteers of America Opp AL 36420	116 Southern Oaks Drive	Tax Exempt	Thanksgiving & Christmas Dinners	2,500
S.A.F.E. @ Sav-A-Life Andalusia AL 36420	1835 East Three Notch St	Tax Exempt	Support for Purpose of Entity	3,000
AL Assoc of Local Governo Andalusia AL 36420	25 Court Square	Tax Exempt	Support Employ of People w/ Disabili	1,500
Covington Cnty United Fd Andalusia AL 36420	P. O. Box 667	Tax Exempt	Support for Purpose of Entity	6,500
S E AL Scottish Rite Fd Andalusia AL 36420	113 Maple Street	Tax Exempt	Support Dyslexia Program	6,000
Covington County Schools Andalusia AL 36420	P. O. Box 460	Education	Florala HS-Technology Lab	39,000
Covington County Schools Andalusia AL 36420	P. O. Box 460	Education	Straughn ES-TIGER TV Video Productio	5,000
Cov Cnty Relay for Life Andalusia AL 36420	P. O. Box 280	Tax Exempt	Cancer Prevention	1,000
Florala Emergency Med Ser Florala AL 36442	P. O. Box 133	Quasi Govt	Construction of New Building	10,000
The City of Florala Florala AL 36442	P. O. Box 351	Govt	Replace & Expand Pier-Lake Jackson	20,000

Federal Statements

Statement 12 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)

Name / Address	Address / Relationship	Status	Purpose	Amount
Habitat for Humanity Andalusia AL 36420	P. O. Box 1034	Tax Exempt	Support for Purpose of Entity	10,000
LBW Community College Andalusia AL 36420	P. O. Box 1418	Education	Renovate Entry to Performing Arts Ct	300,000
The Long Leaf Alliance Andalusia AL 36420	12130 Dixon Center Road	Tax Exempt	Restoration of Longleaf Pine	500
Total				730,451