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 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
FRED & CHRISTINE ARMSTRONG FOUNDATION

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
C/O 335 N WILMOT, STE 300

City or town, state, and ZIP code
TUCSON, AZ 85711

A Employer identification number
86-0779817

B Telephone number
(520)790-3500

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) ▶$ 3,483,324.

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

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

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received			N/A	
	2 Check ▶ [X] if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	193.	193.		STATEMENT 1
	4 Dividends and interest from securities	59,824.	59,824.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	40,857.			
	b Gross sales price for all assets on line 6a 865,370.				
	7 Capital gain net income (from Part IV, line 2)		40,857.		
	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	28,450.	26,835.		STATEMENT 3
	12 **Total** Add lines 1 through 11	129,324.	127,709.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	24,000.	12,000.		12,000.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees STMT 4	13,907.	6,954.		6,953.
	c Other professional fees STMT 5	19,101.	19,101.		0.
	17 Interest				
	18 Taxes STMT 6	1,546.	1,546.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 7	8,547.	7,621.		926.
	24 **Total operating and administrative expenses** Add lines 13 through 23	67,101.	47,222.		19,879.
	25 Contributions, gifts, grants paid	203,000.			203,000.
	26 **Total expenses and disbursements** Add lines 24 and 25	270,101.	47,222.		222,879.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	-140,777.			
	b **Net investment income** (if negative, enter -0-)		80,487.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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18 P

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	3,861.	8,828.	8,828.
	2 Savings and temporary cash investments	145,561.	182,971.	182,971.
	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 8	3,051,786.	2,872,657.	3,194,865.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 9	40,245.	36,220.	96,660.
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers)	3,241,453.	3,100,676.	3,483,324.
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	3,241,453.	3,100,676.	
	30 **Total net assets or fund balances**	3,241,453.	3,100,676.	
	31 **Total liabilities and net assets/fund balances**	3,241,453.	3,100,676.	

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	3,241,453.
2	Enter amount from Part I, line 27a	2	-140,777.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	3,100,676.
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	3,100,676.

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	VARIOUS SECURITIES CLAIMS	P	VARIOUS	VARIOUS
b	SECURITIES PER ATTACHED SCHEDULE	P	VARIOUS	VARIOUS
c	SECURITIES PER ATTACHED SCHEDULE	P	VARIOUS	VARIOUS
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	5,066.			5,066.
b	76,823.		80,378.	-3,555.
c	783,481.		744,135.	39,346.
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				5,066.
b				-3,555.
c				39,346.
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 40,857.

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	222,731.	3,396,717.	.065572
2007	207,494.	4,463,517.	.046487
2006	183,498.	4,268,019.	.042994
2005	172,454.	3,829,747.	.045030
2004	110,689.	3,589,679.	.030835

2	Total of line 1, column (d)	2	.230918
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	.046184
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	3,788,802.
5	Multiply line 4 by line 3	5	174,982.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	805.
7	Add lines 5 and 6	7	175,787.
8	Enter qualifying distributions from Part XII, line 4	8	222,879.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ______ (attach copy of letter if necessary-see instructions)				
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☒ and enter 1% of Part I, line 27b			1	805.
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	805.
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	805.
6 Credits/Payments:				
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a	560.		
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	18.		
7 Total credits and payments. Add lines 6a through 6d			7	578.
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	227.
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	
11 Enter the amount of line 10 to be: **Credited to 2010 estimated tax** ▶		**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 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. ▶ $ 0. (2) On foundation managers. ▶ $ 0.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7 Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ AZ			
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

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

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

Website address ▶ N/A

14 The books are in care of ▶ FOUNDATION Telephone no. ▶ (520) 790-3500

Located at ▶ C/O 335 N WILMOT, STE 300, TUCSON, AZ ZIP+4 ▶ 85711

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.

			Line	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?		1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):				
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009?	☐ Yes ☒ No			
	If "Yes," list the years ▶ ____, ____, ____, ____				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.)	N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ____, ____, ____, ____				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2009 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969; **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009.)*	N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?		4b		X

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

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

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53 4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** No: 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
FRED E ARMSTRONG, JR 630 N CIRCLE D WAY TUCSON, AZ 85748	DIRECTOR/VICE-PRESIDENT 1.00	0.	0.	0.
SAMUEL T ARMSTRONG, JR 2828 FOREST CIR JACKSONVILLE, FL 32257	DIRECTOR/TREASURER 8.00	24,000.	0.	0.
WILLIAM W LYNCH, JR 1845 WOODALL ROGERS DALLAS, TX 75201	DIRECTOR/SECRETARY 1.00	0.	0.	0.
KAREN FREY 9802 E VERYL PLACE TUCSON, AZ 85749	DIRECTOR/PRESIDENT 1.00	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	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3 ▶	0.

Form **990-PF** (2009)

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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	3,617,036.
b	Average of monthly cash balances		1b	132,803.
c	Fair market value of all other assets		1c	96,660.
d	**Total** (add lines 1a, b, and c)		1d	3,846,499.
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	3,846,499.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	57,697.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	3,788,802.
6	**Minimum investment return** Enter 5% of line 5		6	189,440.

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	189,440.
2a	Tax on investment income for 2009 from Part VI, line 5	2a 805.		
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b		
c	Add lines 2a and 2b		2c	805.
3	Distributable amount before adjustments. Subtract line 2c from line 1		3	188,635.
4	Recoveries of amounts treated as qualifying distributions		4	0.
5	Add lines 3 and 4		5	188,635.
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	188,635.

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	222,879.
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	222,879.
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	805.
6	**Adjusted qualifying distributions** Subtract line 5 from line 4	6	222,074.

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				188,635.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			148,858.	
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				
e From 2008				
f **Total** of lines 3a through e	0.			
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ $ 222,879.				
a Applied to 2008, but not more than line 2a			148,858.	
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				74,021.
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:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
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				114,614.
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	0.			
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				

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

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

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

1 **Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000). (See section 507(d)(2).)

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ▶ ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number of the person to whom applications should be addressed:

SEE STATEMENT 10

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 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 ATTACHED SCHEDULE	NONE	PUBLIC 501(C)(3)	SEE ATTACHED SCHEDULE	203,000.
Total			▶ 3a	203,000.
b *Approved for future payment*				
NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	193.	
4 Dividends and interest from securities			14	59,824.	
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	26,835.	
8 Gain or (loss) from sales of assets other than inventory			18	40,857.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a EXCISE TAX REFUND					1,615.
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.		127,709.	1,615.

13 **Total.** Add line 12, columns (b), (d), and (e) 13 129,324.

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

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).
11A	REFUND OF EXCISE TAXES REQUIRED BY LAW AS A PRIVATE FOUNDATION.

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

x Samuel T. Armstrong | 11-2-10 | x TREASURER

Signature of officer or trustee | Date | Title

Paid Preparer's Use Only

Preparer's signature JON W. MITCHELL, CPA	Date 10/27/10	Check if self-employed ☐	Preparer's identifying number
Firm's name (or yours if self-employed), address, and ZIP code: CLIFTON GUNDERSON LLP, 335 N. WILMOT ROAD, SUITE 300, TUCSON, AZ 85711		EIN	
		Phone no. (520)790-3500	

Form 990-PF (2009)

923622
02-02-10

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
INTEREST NBAZ	193.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	193.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
SCHWAB INSTITUTIONAL	59,824.	0.	59,824.
TOTAL TO FM 990-PF, PART I, LN 4	59,824.	0.	59,824.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
OIL ROYALTIES	26,835.	26,835.	
EXCISE TAX REFUND	1,615.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	28,450.	26,835.	

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	13,907.	6,954.		6,953.
TO FORM 990-PF, PG 1, LN 16B	13,907.	6,954.		6,953.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT FEES	19,101.	19,101.		0.
TO FORM 990-PF, PG 1, LN 16C	19,101.	19,101.		0.

FORM 990-PF TAXES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PROPERTY TAXES	775.	775.		0.
FOREIGN TAXES	753.	753.		0.
FEDERAL INCOME TAXES	18.	18.		0.
TO FORM 990-PF, PG 1, LN 18	1,546.	1,546.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
OIL ROYALTY EXPENSES	2,670.	2,670.		0.
OFFICE EXPENSES	1,852.	926.		926.
PERCENTAGE DEPLETION	4,025.	4,025.		0.
TO FORM 990-PF, PG 1, LN 23	8,547.	7,621.		926.

FORM 990-PF CORPORATE STOCK STATEMENT 8

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCK PER ATTACHED SCHEDULE	2,872,657.	3,194,865.
TOTAL TO FORM 990-PF, PART II, LINE 10B	2,872,657.	3,194,865.

FORM 990-PF OTHER INVESTMENTS STATEMENT 9

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
OIL ROYALTY INTERESTS	COST	36,220.	96,660.
TOTAL TO FORM 990-PF, PART II, LINE 13		36,220.	96,660.

FORM 990-PF GRANT APPLICATION SUBMISSION INFORMATION STATEMENT 10
PART XV, LINES 2A THROUGH 2D

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

SAMUEL T ARMSTRONG, JR
PO BOX 12867
TUCSON, AZ 85732-2867

TELEPHONE NUMBER	NAME OF GRANT PROGRAM
904-731-2828	NONE

FORM AND CONTENT OF APPLICATIONS

SPECIFIC AMOUNT REQUESTED, INTENDED USE OF THE GRANT, CURRENT FINANCIAL STATEMENTS, CURRENT BUDGET, EXEMPTION LETTER, AND ANY OTHER PERTINENT DATA.

ANY SUBMISSION DEADLINES

NONE

RESTRICTIONS AND LIMITATIONS ON AWARDS

NONE, EXCEPT THAT CONSIDERATION WILL BE GIVEN THOSE CHARITIES FUNDED BY THE ARMSTRONG FAMILY IN THE PAST.

RECIPIENT	PURPOSE OF CONTRIBUTION	AMOUNT
AMERICAN LUNG ASSOCIATION OF ARIZONA 2819 E BROADWAY, TUCSON, AZ 85716	TUCSON CHILDREN WITH ASTHMA ARE PROVIDED CAMPING EXPERIENCES	$ 2,000
AMERICAN RED CROSS, SOUTHERN ARIZONA CHAPTER 5301 E BROADWAY BLVD, TUCSON, AZ 85711	LOCAL DISASTER SERVICES FOR CHILDREN AND FAMILIES	4,000
THE UNIVERSITY OF AZ, ARTHRITIS CENTER PO BOX 10109, TUCSON, AZ 85721-0109	ARTHRITIS RESEARCH AND TREATMENT	20,000
ARIZONA'S CHILDREN ASSOCIATION 2700 S 8TH AVE, TUCSON, AZ 85713	ASSIST NEEDY CHILDREN AND FAMILIES	5,000
ARIZONA OPERA 3501 N MOUNTAIN AVE, TUCSON, AZ 85719	PROVIDE MUSIC APPRECIATION TO THE COMMUNITY	5,000
ARIZONA-SONORA DESERT MUSEUM 2021 N KINNEY RD, TUCSON, AZ 85743	CONSERVE FLORA AND FAUNA OF THE SONORAN DESERT	5,000
BALLET ARTS FOUNDATION 200 S TUCSON BLVD, TUCSON, AZ 85716	EDUCATE, SUPPORT, AND ADVANCE THE ART OF DANCE	5,000
BEADS OF COURAGE 3331 N RIVERBEND CIRCLE WEST, TUCSON, AZ 85750	ASSIST CHILDREN TO COPE WITH SERIOUS ILLNESS	2,000
BULLHEAD CITY FIRE DEPARTMENT 1250 HANCOCK ROAD, BULLHEAD CITY, AZ 85442	PURCHASE OXYGEN DELIVERY SYSTEMS TO PROVIDE EMERGENCY MEDICAL AID TO LARGE RURAL AREA	3,000
CASA DE LA LUZ 400 W MAGEE ROAD, TUCSON, AZ 85704	EDUCATES HEALTH CARE PROFESSIONALS IN END-OF-LIFE ASSISTANCE	2,000
CASA DE LOS NINOS 1101 N 4TH AVE, TUCSON, AZ 85705	CHILD ABUSE/NEGLECT PREVENTION PROMOTE CHILD SAFETY/FAMILY STABILITY	10,000
COMMUNITY FOOD BANK 3003 S COUNTRY CLUB RD, TUCSON, AZ 85713	FOOD ASSISTANCE FOR THE HUNGRY IN PIMA COUNTY, AZ	12,000
COMMUNITY HOME REPAIR PROJECTS OF ARIZONA P O BOX 26215, TUCSON, AZ 85726	ASSIST DISADVANTAGED OF PIMA COUNTY BY PROVIDING FREE HOME REPAIR SERVICE	3,000
DIAPER BANK OF SOUTHERN ARIZONA 4500 E SPEEDWAY, SUITE 75, TUCSON, AZ 85712	PROVIDE DIAPERS FOR CHILDREN AND ADULTS THROUGH COMMUNITY PARTNERS	3,000
EDUCATIONAL ENRICHMENT FOUNDATION 3809 E THIRD ST, TUCSON, AZ 85716	PROVIDES STUDENTS IN NEED OF VISION EXAMS AND EYEGLASSES	6,000
GAP MINISTRIES/SPLASH HOUSE PROJECT 7974 N ORACLE ROAD, TUCSON, AZ 85704	SHELTER, MEALS, AND COUNSELING TO DISPLACED YOUTH AGES 0-12	5,000
HANDI-DOGS, INC 75 SOUTH MONTEGO DRIVE, TUCSON, AZ 85710	TEACH PEOPLE WITH DISABILITIES AND SENIORS TO TRAIN THEIR OWN DOGS AS ASSISTANCE DOGS	3,000
THE HARRISON COUNTY HISTORICAL MUSEUM PO BOX 1987, MARSHALL, TX 75671	PRESERVE HISTORIC HARRISON COUNTY TEXAS HISTORY	5,000
HUMANE SOCIETY OF SOUTHERN ARIZONA 3450 N KELVIN BLVD, TUCSON, AZ 85716	PET VIP PROGRAM PROVIDES ANIMALS AT CONVALESCENT HOMES, HOSPICES, ETC	2,000
IN MY SHOES 4710 E 29TH STREET, BLDG #17, TUCSON, AZ 85711	HELP YOUNG PEOPLE TO DEVELOP COMPETENCIES FOR ADULTHOOD	2,000

FRED & CHRISTINE ARMSTRONG FOUNDATION
SCHEDULE OF CONTRIBUTIONS FORM 990-PF 6/30/10

RECIPIENT	PURPOSE OF CONTRIBUTION	AMOUNT
LAS FAMILIAS 3618 E PIMA STREET, TUCSON, AZ 85716	FACILITATE THE HEALING PROCESS OF CHILDREN & ADULTS WHO EXPERIENCED CHILDHOOD SEXUAL ABUSE	3,000
LEUKEMIA FOUNDATION OF ARIZONA PO BOX 5820, PEORIA, AZ 85385	ALL VOLUNTEER ORGANIZATION OF MEDICAL PROFESSIONALS PROVIDING AID TO CHILDREN WITH LEUKEMIA	2,000
MARSHALL DEPOT MUSEUM 800 N WASHINGTON, STE 1, MARSHALL, TX 75670	PRESERVE HISTORIC TEXAS AND PACIFIC RAILWAY DEPOT MUSEUM	2,000
THE MARSHALL REGIONAL ARTS COUNCIL PO BOX C, MARSHALL, TX 75671	PROVIDE ARTS APPRECIATION TO THE COMMUNITY	5,000
THE MARSHALL SYMPHONY SOCIETY 203 PINEY LOOP, MARSHALL, TX 75672	PROVIDE MUSIC APPRECIATION TO THE COMMUNITY	5,000
MOBILE MEALS OF TUCSON, INC 3003 S COUNTRY CLUB RD, STE 219, TUCSON, AZ 85713	DELIVER SPECIAL DIET MEALS TO THE HOMEBOUND	12,000
NEW BEGINNINGS FOR WOMEN & CHILDREN 2590 N ALVERNON WAY, TUCSON, AZ 85712	VARIOUS SERVICES FOR HOMELESS FAMILIES	11,000
PRIMAVERA FOUNDATION 702 S SIXTH AVE, TUCSON, AZ 85701	PROGRAMS AND SERVICES FOR HOMELESS AND IMPOVERISHED	6,000
SQUARE & COMPASS CHILDREN'S CLINIC 2600 N WYATT, TUCSON, AZ 85712	ASSIST CHILDREN'S MEDICAL NEEDS	5,000
ST LUKE'S IN THE DESERT 615 E ADAMS ST, TUCSON, AZ 85705	PROVIDE SHELTER FOR THE ELDERLY	7,000
SAINT PHILIP'S IN THE HILLS PARISH PO BOX 65840, TUCSON, AZ 85728	COMMUNITY SERVICES	2,000
THERAPEUTIC RIDING OF TUCSON (TROT) 8920 E WOODLAND ROAD, TUCSON, AZ 85749	THERAPEUTIC HORSEBACK RIDING FOR SPECIAL NEEDS	5,000
TUCSON CHILDREN'S MUSEUM 200 S SIXTH AVE, TUCSON, AZ 85702	EDUCATION AND ACTIVITIES FOR CHILDREN	5,000
TUCSON FIRE DEPARTMENT PO BOX 27210, TUCSON, AZ 85726	SUPPORT DROWNING PREVENTION EFFORTS IN THE COMMUNITY	3,000
TUCSON SYMPHONY ORCHESTRA 2175 N 6TH AVE, TUCSON, AZ 85705	PROVIDE MUSIC APPRECIATION TO THE COMMUNITY	8,000
TU NIDITO CHILDREN & FAMILY 3922 N MOUNTAIN AVE, TUCSON, AZ 85719	SUPPORT FOR SERIOUSLY ILL AND GRIEVING CHILDREN	10,000
YOUTH ON THEIR OWN (YOTO) 1443 W PRINCE RD, TUCSON, AZ 85705	SCHOOL DROPOUT PREVENTION FOR YOUTH AGES 8-22 HOMELESS AND NEAR HOMELESS	8,000
TOTAL CONTRIBUTIONS		$ 203,000

Form 990-PF 6/30/10 #86-0779817

Fred/Christine Armstrong FDN

Portfolio Appraisal

	Quantity	Average Cost	Current Price	Total Cost	Market Value	% of Total Portfolio	Est. Annual Income	Current Yield %
Cash Equivalents								
SCHWAB US TREASURY				119,124 07	119,124 07	3 6	12	0 0
Total Cash Equivalents				**119,124.07**	**119,124.07**	**3.6**	**12**	**0.0**
Equities								
CONSUMER DISCRETIONARY								
AOL TIME WARNER INC	2,941	20 76	28 91	61,058 65	85,024 31	2 6	2,500	2 9
CARNIVAL CORP	1,625	32 12	30 24	52,192 95	49,140 00	1 5	650	1 3
EXPEDIA INC	2,575	21 01	18 78	54,111 25	48,358 50	1 5	721	1 5
GUESS? INC	1,000	35 47	31 24	35,469 55	31,240 00	0 9	640	2 0
LKQ CORP	3,525	11 50	19 28	40,545 65	67,962 00	2 1	0	0 0
O REILLY AUTOMOTIVE INC	2,225	25 10	47 56	55,842 03	105,821 00	3 2	0	0 0
TOTAL CONSUMER DISCRETIONARY				**299,220.08**	**387,545.81**	**11.7**	**4,511**	**1.2**
CONSUMER STAPLES								
COCA-COLA COMPANY	1,625	45 30	50 12	73,612 90	81,445 00	2 5	2,860	3 5
COLGATE-PALMOLIVE CO	1,625	51 53	78 76	83,728 30	127,985 00	3 9	3,445	2 7
CVS CAREMARK CORPORATION	3,625	21 32	29 32	77,267 49	106,285 00	3 2	1,269	1 2
TOTAL CONSUMER STAPLES				**234,608.69**	**315,715.00**	**9.5**	**7,574**	**2.4**
ENERGY								
CABOT OIL & GAS CORP	2,325	22 22	31 32	51,655 46	72,819 00	2 2	279	0 4
EXXON MOBIL CORPORATION	1,750	53 28	57 07	93,234 95	99,872 50	3 0	3,080	3 1
HALLIBURTON COMPANY	3,325	17 56	24 55	58,379 71	81,628 75	2 5	1,197	1 5
RANGE RESOURCES CORP	1,300	26 95	40 15	35,041 38	52,195 00	1 6	208	0 4
WEATHERFORD INTL LTD	3,625	11 55	13 14	41,857 89	47,632 50	1 4	0	0 0
TOTAL ENERGY				**280,169.39**	**354,147.75**	**10.7**	**4,764**	**1.3**
FINANCIALS								
BANK OF AMERICA CORP	5,009	22 31	14 37	111,764 82	71,979 33	2.2	200	0 3
CULLEN FROST BANKERS INC	800	53 72	51 40	42,978 36	41,120 00	1 2	1,440	3 5
JP MORGAN & COMPANY INC	2,525	40 15	36 61	101,371 74	92,440 25	2 8	505	0 5
PRUDENTIAL FINANCIAL INC	1,200	39 83	53 66	47,793 60	64,392 00	1 9	840	1 3
WELLS FARGO & COMPANY	2,725	30 80	25 60	83,940 46	69,760 00	2 1	545	0 8
TOTAL FINANCIALS				**387,848.98**	**339,691.58**	**10.2**	**3,530**	**1.0**

Form 990-PF 6/30/10 #86-0779817

Fred/Christine Armstrong FDN

Portfolio Appraisal

	Quantity	Average Cost	Current Price	Total Cost	Market Value	% of Total Portfolio	Est. Annual Income	Current Yield %
Equities								
HEALTH CARE								
ABBOTT LABORATORIES	2,025	43 10	46 78	87,275 81	94,729 50	2 9	3,564	3 8
EXPRESS SCRIPTS INC	2,200	29 64	47 02	65,206 50	103,444 00	3 1	0	0 0
MEDTRONIC INC	1,625	48 97	36 27	79,577 23	58,938 75	1 8	1,463	2 5
TEVA PHARMACEUTICAL INDS	2,725	32 70	51 99	89,116 74	141,672 75	4 3	1,572	1 1
THERMO FISHER SCIENTIFIC	1,250	47 55	49 05	59,442 58	61,312 50	1 9	0	0 0
TOTAL HEALTH CARE				**380,618.86**	**460,097.50**	**13.9**	**6,599**	**1.4**
INDUSTRIALS								
C H ROBINSON WORLDWIDE	1,900	54 02	55 66	102,631 97	105,754 00	3 2	1,900	1 8
DANAHER CORPORATION	2,300	29 19	37 12	67,141 24	85,376 00	2 6	184	0 2
GENERAL ELECTRIC COMPANY	1,200	31 14	14 42	37,368 00	17,304 00	0 5	480	2 8
ROBERT HALF INTL INC	2,325	27 15	23 55	63,122 79	54,753 75	1 7	1,209	2.2
UNITED TECHNOLOGIES CORP	1,925	46 77	64 91	90,025 82	124,951 75	3 8	3,273	2 6
TOTAL INDUSTRIALS				**360,289.82**	**388,139.50**	**11.7**	**7,046**	**1.8**
INFORMATION TECHNOLOGY								
ACCENTURE PLC	2,525	25 59	38 65	64,623 09	97,591 25	2 9	1,894	1 9
CISCO SYSTEMS INC	2,425	20 43	21 31	49,538 38	51,676 75	1 6	0	0 0
EMC CORPORATION	4,050	15 18	18 30	61,468 28	74,115 00	2 2	0	0 0
GOOGLE INC	100	544 36	444 95	54,436 06	44,495 00	1 3	0	0 0
HARRIS CORPORATION	1,200	52 85	41 65	63,425 59	49,980 00	1 5	1,056	2 1
MICROSOFT CORPORATION	3,025	26 31	23 01	79,595 40	69,605 25	2 1	1,573	2 3
MOTOROLA INC	2,125	9 75	6 52	20,711 49	13,855 00	0 4	0	0 0
NOKIA CORPORATION	3,625	14 35	8 15	52,008 20	29,543 75	0 9	1,272	4 3
NUANCE COMMUNICATIONS INC	2,825	17 41	14 95	49,172 59	42,233 75	1 3	0	0 0
ORACLE CORPORATION	5,550	11 95	21 46	66,347 87	119,103 00	3 6	1,110	0 9
RESEARCH IN MOTION	1,200	43 11	49 26	51,728 95	59,112 00	1 8	0	0 0
TOTAL INFORMATION TECHNOLOGY				**613,055.90**	**651,310.75**	**19.6**	**6,905**	**1.1**
MATERIALS								
FMC CORPORATION	1,000	57 26	57 43	57,259 55	57,430 00	1 7	500	0 9
VALSPAR CORPORATION	2,425	27 10	30 12	65,718 30	73,041 00	2 2	1,552	2 1
TOTAL MATERIALS				**122,977.85**	**130,471.00**	**3.9**	**2,052**	**1.6**

Portfolio Appraisal

	Quantity	Average Cost	Current Price	Total Cost	Market Value	% of Total Portfolio	Est. Annual Income	Current Yield %
Equities								
MUTUAL FUNDS - EQUITY								
LKCM SMALL CAP EQUITY FD	305	19 76	16 04	6,035 41	4,898 25	0 1	0	0.0
TOTAL MUTUAL FUNDS - EQUITY				**6,035.41**	**4,898.25**	**0.1**	**0**	**0.0**
TELECOM SERVICES								
AT&T CORPORATION	3,225	26 13	24 19	84,265 78	78,012 75	2 4	5,418	6 9
METROPCS COMMUN	2,575	12 72	8 19	32,750 47	21,089 25	0 6	0	0 0
VERIZON COMMUNICATIONS	2,275	31 13	28 02	70,816 01	63,745 50	1 9	4,323	6 8
TOTAL TELECOM SERVICES				**187,832.26**	**162,847.50**	**4.9**	**9,741**	**6.0**
Total Equities				**2,872,657.24**	**3,194,864.64**	**96.4**	**52,721**	**1.7**

The Fred and Christine Armstrong Foundation
86-0779817
Realized Gain and Loss Schedule
01/01/2010 - 06/30/2010

Purchase Date	Sell Date	Quantity	Security	Proceeds	Cost Basis	Gain (Loss) Short Term
1/6/2009	12/22/2009	129	AOL INC	$ 2,995 05	$ 2,363 14	$ 631 91
4/1/2009	12/22/2009	136	AOL INC	3,170 61	2,069 79	1,100 82
5/27/2009	12/22/2009	298	HARRIS STRATEX NETWORKS C	2,047 49	1,599 06	448 43
4/1/2009	12/29/2009	FRAC	AOL INC	2 10	1 38	0 72
5/18/2009	4/21/2010	700	GILEAD SCIENCES	28,361 86	30,510 33	(2,148 47)
5/3/2010	5/4/2010	25	KIMBERLY-CLARK CORPORATION	1,529 35	1,538 45	(9 10)
2/22/2010	5/21/2010	13,000	SYNOVUS FINANCIAL CORP	35,091 12	38,227 65	(3,136 53)
5/3/2010	5/21/2010	1,050	SYNOVUS FINANCIAL CORP	2,834 28	3,168 40	(334 12)
5/3/2010	6/15/2010	25	HOME DEPOT INC	791 05	899 45	(108 40)
			Total Short Term Loss	$ 76,822 91	$ 80,377 65	$ (3,554 74)

Purchase Date	Sell Date	Quantity	Security	Proceeds	Cost Basis	Gain (Loss) Long Term
6/13/2008	9/9/2009	450	ITT EDUCATIONAL SERVICES	$ 46,230 20	$ 32,605 22	$ 13,624 98
5/28/2004	10/30/2009	700	GENERAL DYNAMICS CORP	44,043 43	33,453 00	10,590 43
5/25/2004	12/22/2009	800	COCA-COLA COMPANY	45,878 59	40,352 00	5,526 59
7/25/2008	12/22/2009	900	XTO ENERGY INC	42,469 95	43,905 91	(1,435 96)
11/13/2008	1/4/2010	300	ALCON INC	47,714 63	24,032 50	23,682 13
5/21/2007	1/5/2010	400	CULLEN FROST BANKERS INC	19,864 45	21,489 18	(1,624 73)
6/13/2008	1/27/2010	350	ITT EDUCATIONAL SERVICES	39,705 85	25,359 62	14,346 23
11/18/2005	2/1/2010	900	AIR PRODS & CHEMS INC	68,329 52	53,442 95	14,886 57
5/21/2004	2/24/2010	64	LKCM SMALL CAP EQUITY FD	1,039 14	1,272 73	(233 59)
6/21/2004	2/24/2010	121	LKCM SMALL CAP EQUITY FD	1,961 86	2,545 15	(583 29)
12/28/2006	2/24/2010	541	LKCM SMALL CAP EQUITY FD	8,760 76	11,993 87	(3,233 11)
12/28/2007	2/24/2010	507	LKCM SMALL CAP EQUITY FD	8,210 08	10,236 11	(2,026 03)
12/28/2007	2/24/2010	1	LKCM SMALL CAP EQUITY FD	8 16	10 17	(2 01)
10/8/2004	3/11/2010	1,000	TEXAS INSTRUMENTS INC	23,795 53	22,275 85	1,519 68
11/9/2005	3/11/2010	200	TEXAS INSTRUMENTS INC	4,759 11	6,136 63	(1,377 52)
11/7/2007	3/19/2010	2,500	DIRECTV	83,341 99	67,286 82	16,055 17
6/5/2008	4/21/2010	800	GILEAD SCIENCES	32,413 56	45,241 43	(12,827 87)
5/21/2004	5/3/2010	4,675	LKCM SMALL CAP EQUITY FD	87,823 25	92,723 79	(4,900 54)
6/29/2004	5/4/2010	1,100	KIMBERLY-CLARK CORPORATION	67,291 49	71,457 27	(4,165 78)
2/1/2005	5/4/2010	100	KIMBERLY-CLARK CORPORATION	6,117 41	6,540 97	(423 56)
8/25/2006	5/4/2010	200	KIMBERLY-CLARK CORPORATION	12,234 82	12,367 95	(133 13)
11/22/2004	6/9/2010	700	BP PLC	23,369 43	41,813 95	(18,444 52)
2/1/2005	6/9/2010	50	BP PLC	1,669 24	3,025 47	(1,356 23)
5/25/2004	6/15/2010	1,700	HOME DEPOT INC	53,791 66	59,721 00	(5,929 34)
11/9/2005	6/15/2010	200	HOME DEPOT INC	6,328 43	8,147 95	(1,819 52)
8/25/2006	6/15/2010	200	HOME DEPOT INC	6,328 43	6,697 95	(369 52)
			Total Long Term Gain	$ 783,480 97	$ 744,135 44	$ 39,345 53

Computershare

Qualified Settlement Fund #2

Computershare, Inc
250 Royall Street
Canton Massachusetts 02021
Telephone 800 569 4721

IMPORTANT TAX RETURN DOCUMENT ENCLOSED

FRED E ARMSTRONG
2828 FOREST CIR
JACKSONVILLE FL 32257-5616

Holder Account Number
C0001141902 IND

Recipient's ID No. [redacted]
SSN/TIN Certified N
Payer's Federal ID No 98-0459369
OMB No. 1545-0115

☐ Corrected (if checked)

Form 1099-MISC - Miscellaneous Income 2009

2 Royalties ($)	3 Other Income ($)	4 FEDERAL INCOME TAX WITHHELD ($)	7 Nonemployee Compensation ($)	8 Substitute Payments in lieu of dividends or interest ($)	Payer's Details
	63.92	17.90			General American Settlement Fund #2 c/o Computershare, Inc 250 Royall Street Canton MA 02021

16 State Tax Withheld ($)	17 State/Payer's State Number	18 State Income ($)

Instructions for Recipient

Account Number May show an account or other unique number the payer assigned to distinguish your account.

Amounts shown on this form may be subject to self-employment tax If your net income from self-employment is $400 or more you must file a return and compute your self-employment tax on Schedule SE (Form 1040) See Pub. 334, Tax Guide for Small Business, for more information If no income or social security and Medicare taxes were withheld, and if you are still receiving these payments, see Form 1040-ES, Estimated Tax for Individuals

If you are an individual report as explained for box 7 below For corporations, fiduciaries, or partnerships, report the amounts on the proper line of your tax return

Box 2 For royalties on timber, coal and iron ore, see Pub 544

Box 3 Generally report this amount on the "Other income" line of Form 1040 and identify the payment The amount shown may be payments you received as the beneficiary of a deceased employee, prizes, awards taxable damages, Indian gaming profits, payments made by employers to former employees who are serving in the Armed Forces or the National Guard for a period of 30 or fewer days, or other taxable income See Pub 525. If it is trade or business income, report this amount on Schedule C, C-EZ, or F (Form 1040)

Box 4 Shows backup withholding or withholding on Indian gaming profits Generally, a payer must backup withhold at the applicable rate if you did not furnish your taxpayer identification number See Form W-9, Request for Taxpayer Identification Number and Certification and Pub 505 for more information Report this amount on your income tax return as tax withheld

Box 7 Shows nonemployee compensation If you are in the trade or business of catching fish, box 7 may show cash you received for the sale of fish If payments in this box are income from self-employment, report this amount on Schedule C, C-EZ, or F (Form 1040), and complete Schedule SE (Form 1040) You received this form instead of Form W-2 because the payer did not consider you an employee and did not withhold income tax or social security and Medicare taxes Contact the payer if you believe this form is incorrect or has been issued in error If you believe you are an employee and cannot get this form corrected, report the amount from box 7 of Form 1040, line 7 (or Form 1040NR, line 8) You must also complete and attach to your return Form 8919, Uncollected Social Security and Medicare Tax on Wages.

Box 8 Shows substitute payments in lieu of dividends or tax-exempt interest received by your broker on your behalf as a result of a loan of your securities Report on the "Other income" line of Form 1040

Boxes 16-18 Shows state or local income tax withheld from the payments

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

Form 1099-MISC (2009)
Copy B - For Recipient

Department of the Treasury - Internal Revenue Service

80UTX GENA