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Form **990-PF**

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

OMB No 1545-0052

2009Department of the Treasury
Internal Revenue Service

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

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

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 ARNOLD FOUNDATION, INC.		A Employer identification number 58-2450328
	Number and street (or P O box number if mail is not delivered to street address) Room/suite 1100 PEACHTREE STREET 800		B Telephone number (see page 10 of the instructions) 404-681-3450
	City or town, state, and ZIP code ATLANTA GA 30309		C If exemption application is pending, check here ☐
			D 1 Foreign organizations, check here ☐ 2 Foreign organizations meeting the 85% test, check here and attach computation ☐
H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation			E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 3,163,641 (Part I, column (d) must be on cash basis)			F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐
J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify)			

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	2,875	2,875	2,875	
	4 Dividends and interest from securities				
	5a Gross rents	315,096	315,096	315,096	
	b Net rental income or (loss) 315,096				
	6a Net gain or (loss) from sale of assets not on line 10				
	b Gross sales price for all assets on line 6a				
	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)					
12 Total. Add lines 1 through 11	317,971	317,971	317,971		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	6,000	6,000		
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule) SEE STMT 1	30	30		
	b Accounting fees (attach schedule) STMT 2	1,908	1,908		
	c Other professional fees (attach schedule) STMT 3	10,000	10,000		
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions) STMT 4	5,411			
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (att. sch.) STMT 5	181	181		
	24 Total operating and administrative expenses. Add lines 13 through 23	23,530	18,119		0
25 Contributions, gifts, grants paid	268,483			268,483	
26 Total expenses and disbursements. Add lines 24 and 25	292,013	18,119	0	268,483	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	25,958				
b Net investment income (if negative, enter -0-)		299,852			
c Adjusted net income (if negative, enter -0-)			317,971		

For Privacy Act and Paperwork Reduction Act Notice, see page 30 of the instructions.

Form 990-PF (2009)

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1	Cash—non-interest-bearing				
	2	Savings and temporary cash investments		225,059	251,428	251,428
	3	Accounts receivable ▶				
		Less allowance for doubtful accounts ▶				
	4	Pledges receivable ▶				
		Less allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions)				
	7	Other notes and loans receivable (attach schedule) ▶				
		Less allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges		6,024	5,613	5,613
	10a	Investments—U S and state government obligations (attach schedule)				
	b	Investments—corporate stock (attach schedule)				
	c	Investments—corporate bonds (attach schedule)				
	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 ▶	959,600				
	Less accumulated depreciation (attach sch) ▶ STMT 6		959,600	959,600	2,906,600	
15	Other assets (describe ▶)					
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)		1,190,683	1,216,641	3,163,641	
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 (attach schedule)				
	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 ▶ ☒					
	and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds		1,190,683	1,216,641	
	28	Paid-in or capital surplus, or land, bldg, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds				
30	Total net assets or fund balances (see page 17 of the instructions)		1,190,683	1,216,641		
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)		1,190,683	1,216,641		

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	1,190,683
2	Enter amount from Part I, line 27a	2	25,958
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	1,216,641
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	1,216,641

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) FMV 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	240,900	3,089,089	0.077984
2007	190,350	1,849,272	0.102932
2006	171,550	1,846,256	0.092918
2005	173,500	1,795,930	0.096607
2004	207,500	1,776,227	0.116821
2 Total of line 1, column (d)			2 0.487262
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 0.097452
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5			4 3,107,325
5 Multiply line 4 by line 3			5 302,815
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 2,999
7 Add lines 5 and 6			7 305,814
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.			8 268,483

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)	1	5,997
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b		
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0
3	Add lines 1 and 2	3	5,997
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	5,997
6	Credits/Payments		
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	5,613
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	5,613
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	384
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?		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)? If the answer is "Yes" to 1a or 1b , attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation \$ _____ (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		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		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		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?	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	X	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) GA		
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	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		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X	
14	The books are in care of ► DAVID H. FLINT 1100 PEACHTREE STREET, SUITE 800 Located at ► ATLANTA, GA	Telephone no ► ZIP+4 ► 30309		
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)? Organizations relying on a current notice regarding disaster assistance check here	N/A	
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?	1b	
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))	1c	X
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? If "Yes," list the years ► 20 , 20 , 20 , 20		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 20 of the instructions)	2b	
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	N/A	
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)	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)? (see page 22 of the instructions) ☐ Yes ☒ No

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

b If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? ☐ Yes ☒ No **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
DAVID H. FLINT 1100 PEACHTREE ST. NE, STE. 800 ATLANTA GA 30309	TRUSTEE 2.00	2,000	0	0
MICHAEL D. FLINT 1100 PEACHTREE ST. NE, STE. 800 ATLANTA GA 30309	TRUSTEE 2.00	2,000	0	0
BRYAN H. FLINT 1100 PEACHTREE ST. NE, STE. 800 ATLANTA GA 30309	TRUSTEE 2.00	2,000	0	0

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 **▶**

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	0
b	Average of monthly cash balances	1b	242,432
c	Fair market value of all other assets (see page 24 of the instructions)	1c	2,912,213
d	Total (add lines 1a, b, and c)	1d	3,154,645
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	3,154,645
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	47,320
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,107,325
6	Minimum investment return. Enter 5% of line 5	6	155,366

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	155,366
2a	Tax on investment income for 2009 from Part VI, line 5	2a	5,997
b	Income tax for 2009 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	5,997
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	149,369
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	149,369
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	149,369

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

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes	1a	268,483
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1b	
b	Program-related investments—total from Part IX-B		
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	268,483
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	268,483

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				149,369
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2009				
a From 2004	122,767			
b From 2005	87,818			
c From 2006	83,173			
d From 2007	102,870			
e From 2008	91,857			
f Total of lines 3a through e	488,485			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 268,483				
a Applied to 2008, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2009 distributable amount				149,369
e Remaining amount distributed out of corpus	119,114			
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	607,599			
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				0
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)	122,767			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	484,832			
10 Analysis of line 9				
a Excess from 2005	87,818			
b Excess from 2006	83,173			
c Excess from 2007	102,870			
d Excess from 2008	91,857			
e Excess from 2009	119,114			

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			(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
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 ATTACHED SCHEDULE				268,483
Total			▶ 3a	268,483
b Approved for future payment N/A				
Total			▶ 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

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	2,875	
4 Dividends and interest from securities					
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property			16	315,096	
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					
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		317,971	0
13 Total Add line 12, columns (b), (d), and (e)				13	317,971

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

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

[illegible]

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 16a - Legal Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
INDIRECT LEGAL FEES	\$ 30	\$ 30	\$	\$
TOTAL	\$ 30	\$ 30	\$ 0	\$ 0

Statement 2 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
INDIRECT ACCOUNTING FEES	\$ 1,908	\$ 1,908	\$	\$
TOTAL	\$ 1,908	\$ 1,908	\$ 0	\$ 0

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
MANAGEMENT FEE	\$ 5,000	\$ 5,000	\$	\$
ADMINISTRATIVE FEE	5,000	5,000		
TOTAL	\$ 10,000	\$ 10,000	\$ 0	\$ 0

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
INDIRECT TAXES/LICENSES	\$ 5,411	\$	\$	\$
TOTAL	\$ 5,411	\$ 0	\$ 0	\$ 0

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Federal Statements

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXPENSES				
TRUSTEE'S MEETING	181	181		
TOTAL	181	181	0	0

Federal Statements

Statement 6 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
BUILDING AND EQUIPMENT	\$ 959,600	\$ 959,600	\$	\$ 2,906,600
TOTAL	\$ 959,600	\$ 959,600	\$ 0	\$ 2,906,600

The Arnold Foundation
Federal EIN# 58-2450328
FYE 09/30/10

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

<u>Recipient</u>	<u>Amount</u>
Shepherd Center Foundation 2020 Peachtree Road Atlanta, GA 30309	30,500
Emory University Fund 600 Asbury Circle Atlanta, GA 30322	500
Abraham Baldwin Agricultural College 2802 Moore Highway Tifton, GA 31793	250
Gate City Bar - Judicial Section Foundation 191 Peachtree Street, Suite 3300 Atlanta, GA 30303	1,000
Johnson Ferry Baptist Church 955 Johnson Ferry Road Marietta, GA 30068	800
Buckhead Lions Club Foundation, Inc P O Box 147 Alpharetta, GA 30009-0147	2,600
Boys & Girls Clubs of Metro Atlanta 100 Edgewood Avenue, NE Atlanta, GA 30355	10,000
Atlanta Symphony Orchestra 1280 Peachtree Street, NE Suite 4074 Atlanta , GA 30303	20,000
Chemoflage, Inc 5602 Brooke Ridge Drive Atlanta, GA 30338	5,000
Lighthouse Family Retreat P O Box 847 Atlanta, GA 30061	10,000
Paws4People 5287 Covington Highway Decatur, GA 30035	1,000
Northside Athletes Foundation 800 Mt Venron Highway, Ste. 200 Atlanta, GA 30328	10,000

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

<u>Recipient</u>	<u>Amount</u>
George West Mental Health Foundation 1961 North Druid Hills Road, NE Atlanta, GA 30329	6,000
Paws Atlanta Department of Managerial Sciences Georgia State University	250
GSU Foundation/College of Law P O Box 4037 Atlanta, GA 30302-4037	6,500
PCU Buckman Community Field Project 4840 SW Western Avenue Ave , Suite 4000 Beaverton, OR 97005	1,000
Kid's Chances of Georgia, Inc 2024 Powers Ferry Road, SE Suite 225 Atlanta, GA 30339	6,000
Bill Maness Outreach Center P O Box 1 Tupelo, MS 38802	500
Atlanta Humane Society 981 Howell Mill Road, NW Atlanta, GA 30318-5512	3,500
Morrow Masonic Lodge McGarrah Scholarship Fund P O Box 248 Morros, GA 30260	500
RLP Charity Golf Tournament 505 Hames Road Marietta, GA 30060	1,700
University of Georgia Law School 225 Herty Drive Athens, GA 30602	1,000
Crippled Children's Foundation 1901 Sixth Avenue North 2400 Regions Harbert Plaza Birmingham, AL 35203	5,000

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

<u>Recipient</u>	<u>Amount</u>
Center for the Visually Impaired 739 West Peachtree Street, NW Atlanta, GA 30308	3,000
Prevent Blindness of Georgia 455 East Paces Ferry Road, Ste 222 Atlanta, GA 30305	5,000
Ronald McDonald House Charities, Inc P O Box 80908 Conyers, GA 30013	200
Small Dog Rescue P O Box 888570 Atlanta, GA 30356	500
Clyde Shepherd Natural Preserve P O Box 33247 Decatur, GA 30033	2,500
University of Tennessee at Chattanooga Director of Stewardship and Donor Recognition 600 Andy Holt Tower Knoxville, TN 37996-0165	25,000
Trinity School 4301 Northside Parkway Atlanta, GA 30327	1,000
Tuberous Sclerosis Alliance 801 Roeder Road, Suite 750 Silver Spring, Maryland 20910	5,000
Georgia Transplant Foundation 6600 Peachtree Dunwoody Road 600 Embassy Row, Suite 250 Atlanta, GA 30322	4,200
Special Olympics Georgia 4000 Dekalb Technology Parkway Suite 400, Building 400 Atlanta, GA 30340	12,000
Fred Orr Memorial Scholarship Fund 3270 Florance Road Powder Springs, GA 30127	1,000

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

<u>Recipient</u>	<u>Amount</u>
Union County Volunteer Fire Department Stations 3 & 12 P O Box 1517 Blairsville, GA 30514	250
Marcus Autism Center 1920 Briarcliff Road Atlanta, GA 30329	1,400
Irwinton Masonic Cementry Trust Fund 1262 Waterfork Road Irwinton, GA 31042	1,000
Friends of the River 3 Puritan Mill 916 Joseph Lowery Blvd Atlanta, GA 30318	500
Georgia State University Foundation Director, Gifts and Records P O Box 3963 Atlanta, GA 30309	33,333
Dekalb County Police Alliance P O Box 888511 Atlanta, GA 30356	2,500
Georgia Tech Fund 150 Bobby Dodd Way NW Atlanta, GA 30332	1,900
Polo for Parkinson's 8010 Roswell Road Suite 120 Atlanta, GA 30350	2,500
Lake High School Foundation, Inc 2286 Leafmore Drive Decatur, GA 30033	500
Dekalb Medical Foundation 2701 N. Decatur Road Decatur, GA 30033	200
First Lt Robert Wilson Collins Patriot Spirit Scholarship 100 Westpark Drive Peachtree City, GA 30269	500

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

<u>Recipient</u>	<u>Amount</u>
ALS - TDI 6231 Indian River Drive Norcross, GA 30092	1,200
Atlanta Legal Aid Society 151 Spring Street, NW Atlanta, GA 30303	8,800
Atlanta Police Foundation 127 Peachtree Street 201 Candler Building Atlanta, GA 30303	5,500
Autism Speaks 5455 Wilshire Blvd, Suite 2250 Los Angeles, CA 90036	1,000
Bobby Dodd Charities Foundation 3520 Piedmont Road, Suite 300 Atlanta, GA 30305	3,900
Medlock Elementary School 2418 Wood Trail Lane Decatur, GA 30033	500
Eagles' Wings, Inc 932 West 3rd Street Washington, NC 27889	10,000
MedShare International 5053 Chatooga River Lithonia, GA 30038-2301	5,000
Visiting Nurse/ Hospice Atlanta 6610 Bay Circle, Suite C Norcross, GA 30071	5,000
Total Contribution	<u><u>268,483</u></u>