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

OMB No 1545-0052

Form **990-PF****2009**Department of the Treasury
Internal Revenue Service

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

For calendar year 2009, or tax year beginning **11/01/09**, and ending **10/31/10**

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 M HALEY FOUNDATION INC C/O MIKE WENIG		A Employer identification number 56-1720197
	Number and street (or P O box number if mail is not delivered to street address) Room/suite 100 NORTH GREEN STREET, SUITE 600		B Telephone number (see page 10 of the instructions) 336-378-1431
	City or town, state and ZIP code GREENSBORO NC 27401		C If exemption application is pending, check here ☐
	H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 7,527,048 (Part I, column (d) must be on cash basis)		J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify)	E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
			F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

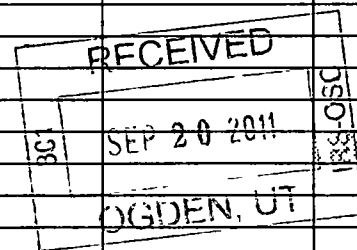
Part I Analysis of Revenue and Expenses (The

total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (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	127,582	127,582		
4 Dividends and interest from securities	226,736	225,624		
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	2,122,350			
b Gross sales price for all assets on line 6a 3,930,956				
7 Capital gain net income (from Part IV, line 2)		2,122,350		
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	2,476,668	2,475,556	0	
Operating and Administrative Expenses				
13 Compensation of officers, directors, trustees, etc				
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule) See Stmt 1	3,787			
b Accounting fees (attach schedule)				
c Other professional fees (attach schedule)				
17 Interest				
18 Taxes (attach schedule) (see page 14 of the instructions) Stmt 2	6,161			
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (att sch)				
24 Total operating and administrative expenses. Add lines 13 through 23	9,948	0		0
25 Contributions, gifts, grants paid	482,243			482,243
26 Total expenses and disbursements. Add lines 24 and 25	492,191	0	0	482,243
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	1,984,477			
b Net investment income (if negative, enter -0-)		2,475,556		
c Adjusted net income (if negative, enter -0-)			0	

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		8,549	57,522	57,522
	2	Savings and temporary cash investments		72,679	175,143	175,143
	3	Accounts receivable ▶ Less allowance for doubtful accounts ▶				
	4	Pledges receivable ▶ Less allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions)				
	7	Other notes and loans receivable (att. schedule) ▶ Less allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments—U S and state government obligations (attach schedule)				
	b	Investments—corporate stock (attach schedule) See Stmt 3		4,326,731	5,091,215	4,506,797
	c	Investments—corporate bonds (attach schedule) See Stmt 4		1,372,306	2,369,689	2,781,060
	11	Investments—land, buildings, and equipment basis ▶ 1,620,010 Less accumulated depreciation (attach sch) ▶ Stmt 5		1,542,676	1,620,010	
	12	Investments—mortgage loans				
	13	Investments—other (attach schedule)				
	14	Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶				
	15	Other assets (describe ▶ See Statement 6)		12,687	6,526	6,526
	16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)		7,335,628	9,320,105	7,527,048
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				
	28	Paid-in or capital surplus, or land, bldg, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds		7,335,628	9,320,105	
	30	Total net assets or fund balances (see page 17 of the instructions)		7,335,628	9,320,105	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)		7,335,628	9,320,105	

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	7,335,628
2	Enter amount from Part I, line 27a	2	1,984,477
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	9,320,105
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	9,320,105

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	99,900 SHARES CREE	P	10/01/01	12/17/09
b	40,000 SHARES BANK OF AMERICA	P	10/31/07	08/19/10
c	1,991 SHARES WELLS FARGO	P	10/31/07	08/02/10
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 3,303,856		155,673	3,148,183
b 571,482		1,368,778	-797,296
c 55,618		284,155	-228,537
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			3,148,183
b			-797,296
c			-228,537
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**2,122,350****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	384,100	7,287,240	0.052709
2007	384,033	9,565,764	0.040147
2006	485,703	9,195,948	0.052817
2005	637,588	10,531,441	0.060541
2004	599,181	11,425,865	0.052441

2 Total of line 1, column (d)**2****0.258655****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****0.051731****4** Enter the net value of noncharitable-use assets for 2009 from Part X, line 5**4****8,747,880****5** Multiply line 4 by line 3**5****452,537****6** Enter 1% of net investment income (1% of Part I, line 27b)**6****24,756****7** Add lines 5 and 6**7****477,293****8** Enter qualifying distributions from Part XII, line 4**8****482,243**

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.

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

1a. Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)		
b. Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b	1	24,756
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	24,756
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	24,756
6. Credits/Payments		
a. 2009 estimated tax payments and 2008 overpayment credited to 2009	6a	6,526
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	6,526
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	18,230
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) ☐ NC		
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

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see 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 ► MICHAEL W. HALEY 12121 WEST END ROAD Located at ► NORTH PALM BEACH, FL	Telephone no ► 561-626-1470 ZIP+4 ► 33408		
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 ☐	1b	X
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009? N/A	1c	
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? ☐ Yes ☒ No If "Yes," list the years ► 20 , 20 , 20 , 20		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 20 of the instructions) N/A	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20 , 20 , 20 , 20		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No		
b	If "Yes," did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009) N/A	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4b	X

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) ☐ Yes ☒ No

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

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? ☐ N/A **5b**

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

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

If "Yes," attach the statement required by Regulations section 53.4945-5(d)

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** ☒ X

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ N/A **7b**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
MICHAEL W. HALEY 12121 W. END ROAD	N. PALM BEACH FL 33408 DIR/PRES/TRE 2.00	0	0	0
LYNN C. HALEY 902 COUNTRY CLUB ROAD	GREENSBORO NC 27408 DIRECTOR 1.00	0	0	0
ELIZABETH L. STANLEY 2320 LAFAYETTE AVEN	GREENSBORO NC 27408 DIRECTOR 1.00	0	0	0
LEIGH H. JONES 113 ELMWOOD TERRACE	GREENSBORO NC 27408 DIRECTOR 1.00	0	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 THE FOUNDATION ONLY MAKES CONTRIBUTIONS TO PRESELECTED CHARITABLE ORGANIZATIONS.	
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	7,225,552
b	Average of monthly cash balances	1b	41,897
c	Fair market value of all other assets (see page 24 of the instructions)	1c	1,613,647
d	Total (add lines 1a, b, and c)	1d	8,881,096
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	8,881,096
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	133,216
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	8,747,880
6	Minimum investment return. Enter 5% of line 5	6	437,394

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	437,394
2a	Tax on investment income for 2009 from Part VI, line 5	2a	24,756
b	Income tax for 2009 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	24,756
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	412,638
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	412,638
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	412,638

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

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	482,243
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	482,243
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	24,756
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	457,487

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				412,638
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	35,990			
b From 2005	128,668			
c From 2006	33,989			
d From 2007	26,326			
e From 2008	25,104			
f Total of lines 3a through e	250,077			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 482,243				
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				412,638
e Remaining amount distributed out of corpus	69,605			
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	319,682			
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)	35,990			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	283,692			
10 Analysis of line 9				
a Excess from 2005	128,668			
b Excess from 2006	33,989			
c Excess from 2007	26,326			
d Excess from 2008	25,104			
e Excess from 2009	69,605			

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	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
Name and address (home or business)				
a Paid during the year See Statement 7				482,243
Total			▶ 3a	482,243
b Approved for future payment N/A				
Total			▶ 3b	

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	\$ 3,787	\$	\$	\$
Total	\$ 3,787	\$ 0	\$ 0	\$ 0

Statement 2 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FEDERAL INCOME TAXES	\$ 6,161	\$	\$	\$
Total	\$ 6,161	\$ 0	\$ 0	\$ 0

Federal Statements**Statement 3 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>	<u>Fair Market Value</u>
40,000 SHARES BANK OF AMERICA	\$ 1,368,778	\$	Cost	\$
99,900 SHARES CREE INC	155,673		Cost	
2,397.045 SHARES LIBERTY ALLSTARS	23,102	23,102	Cost	10,907
9,000 SHARES MICROSOFT CORP	158,368	158,368	Cost	220,185
10,000 BARCLAYS BANK 6.625% PFD	250,000	250,000	Cost	241,500
10,000 SH AMERICAN INTL GROUP INC	412,141	412,141	Cost	21,005
698 SH DELPHI CORP			Cost	
1991 SHARES WELLS FARGO	284,155		Cost	
10,000 SHARES BARCLAYS 8.125% PFD	250,000	250,000	Cost	260,700
20,000 FREDDIE MAC	501,299	501,299	Cost	10,600
40,000 HSBC HOLDINGS	1,000,000	1,000,000	Cost	1,095,200
10,000 WELLS FARGO 8% NON CUMULATIVE	247,574	247,574	Cost	270,100
999 CREE CALLS	-324,359		Cost	
90 MSFT CALLS			Cost	
50,000 CLEARBRIDGE ENERGY		1,000,000	Cost	1,046,500
10,000 LLOYDS BANK GROUP		250,000	Cost	262,500
20,000 ROYAL BANK OF CANADA		998,731	Cost	1,067,600
Total	\$ <u>4,326,731</u>	\$ <u>5,091,215</u>		\$ <u>4,506,797</u>

Federal Statements**Statement 4 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>	<u>Fair Market Value</u>
39000 CITIGROUP CAPITAL VI 7.125%	\$ 672,306	\$ 672,306	Cost	\$ 975,780
8,000 BB&T TRUST VI	200,000	200,000	Cost	222,880
20,000 CREDIT SUISSE GUERNSEY BRH	500,000	500,000	Cost	531,600
40,000 DEUTCHE BANK CONTINGENT CAP T		997,383	Cost	1,050,800
Total	\$ <u>1,372,306</u>	\$ <u>2,369,689</u>		\$ <u>2,781,060</u>

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Statement 5 - Form 990-PF, Part II, Line 11 - Land, Building, and Equipment Investments

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
LAND SUMMIT AVENUE	\$ 148,322	\$ 148,322	\$	\$
LAND GREENSBORO COLLEGE	1,394,354	1,394,354		
LAND GIARD HOMES		77,334		
Total	\$ 1,542,676	\$ 1,620,010	\$ 0	\$ 0

Federal Statements**Statement 6 - Form 990-PF, Part II, Line 15 - Other Assets**

Description	Beginning of Year	End of Year	Fair Market Value
FEDERAL TAX ESTIMATES	\$ 12,687	\$ 6,526	\$ 6,526
Total	\$ 12,687	\$ 6,526	\$ 6,526

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Statement 7 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the
Year

Name	Address	Relationship	Status	Purpose	Amount
CANTERBURY SCHOOL	5400 OLD LAKE JEANETTE RO				
GREENSBORO NC 27455	NONE		PUBLIC	UNRESTRICTED	67,500
CAROLINAS HEALTH CARE FOU	1221 E. MOREHEAD ST				
CHARLOTTE NC 28204	NONE		PUBLIC	UNRESTRICTED	1,000
CHAPEL HILL RONALD MCDONA	101 OLD MASON FARM ROAD				
CHAPEL HILL NC 27517	NONE		PUBLIC	UNRESTRICTED	15,000
DUKE CANCER CENTER	2424 ERWIN ROAD				
DURHAM NC 27705	NONE		PUBLIC	UNRESTRICTED	4,000
EASTERN MUSIC FESTIVAL	200 NORTH DAVIE STREET				
GREENSBORO NC 27420	NONE		PUBLIC	UNRESTRICTED	2,500
EDUCATIONAL FOUNDATION OF	P.O. BOX 2446				
CHAPEL HILL NC 27515	NONE		PUBLIC	UNRESTRICTED	82,143
FAMILY SERVICES OF GBORO	315 EAST WASHINGTON ST				
GREENSBORO NC 27401	NONE		PUBLIC	UNRESTRICTED	1,000
GIRL SCOUT TARHEEL TRIAD	1501 HIGHWOODS BLVD				
GREENSBORO NC 27410	NONE		PUBLIC	UNRESTRICTED	1,000
GREEN HILL CENTER FOR NC	200 N. DAVIE STREET				
GREENSBORO NC 27401	NONE		PUBLIC	UNRESTRICTED	7,500
GREENSBORO CHILDRENS MUSE	220 N. CHURCH STREET				
GREENSBORO NC 27401	NONE		PUBLIC	UNRESTRICTED	11,000
GREENSBORO COLLEGE	815 W. MARKET STREET				
GREENSBORO NC 27401	NONE		PUBLIC	UNRESTRICTED	24,000
GREENSBORO URBAN MINISTRY	305 WEST LEE STREET				
GREENSBORO NC 27406	NONE		PUBLIC	UNRESTRICTED	45,000
HERITAGE FOUNDATION	214 MASSACHUSETTS AVE				
WASHINGTON DC 20002	NONE		PUBLIC	UNRESTRICTED	2,500
INTL CIVIL RIGHTS MUSEUM	134 SOUTH ELM STREET				
GREENSBORO NC 27401	NONE		PUBLIC	UNRESTRICTED	1,000
LOST TREE CHAPEL	11149 TURTLE BEACH RD				
NORTH PALM BEACH FL 33408	NONE		PUBLIC	UNRESTRICTED	10,000
LOST TREE VILL CHAR FD	11555 LOST TREE WAY				
NORTH PALM BEACH FL 33408	NONE		PUBLIC	UNRESTRICTED	7,000
MACULA VISION RESEARCH FD	100 FRONT STREET, STE 300				
WEST CONSHOCKEN PA 1942	NONE		PUBLIC	UNRESTRICTED	10,000
NATURAL SCIENCE CENTER	4301 LAWNDALE DRIVE				
GREENSBORO NC 27401	NONE		PUBLIC	UNRESTRICTED	8,000

Federal Statements

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Statement 7 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the
Year (continued)

Name	Address	Relationship	Status	Purpose	Amount
NICKLAUS CHILD HEALTH	GOLDEN BEAR PLAZE, EAST T				
NORTH PALM BEACH FL 33408	NONE		PUBLIC	UNRESTRICTED	3,000
OLD NORTH STATE COUNCIL	1405 WESTOVER TERRACE				
GREENSBORO NC 27408	NONE		PUBLIC	UNRESTRICTED	1,500
PAR THREE FOUNDATION	CLEARWATER DRIVE				
WEST PALM BEACH FL 33401	NONE		PUBLIC	UNRESTRICTED	500
PIEDMONT TRIAD CHARITABLE	401 NORTH GREEN STREET				
GREENSBORO NC 27401	NONE		PUBLIC	UNRESTRICTED	40,000
PRESERVATION GREENSBORO	447 WEST WASHINGTON STREE				
GREENSBORO NC 27401	NONE		PUBLIC	UNRESTRICTED	400
RONALD MCDONALD HOUSE	506 ALEXANER AVENUE				
DURHAM NC 27705	NONE		PUBLIC	UNRESTRICTED	500
RONALD MCDONALD HOUSE	1613 E. MOREHEAD STREET				
CHARLOTTE NC 28207	NONE		PUBLIC	UNRESTRICTED	25,000
SALVATION ARMY	1311 SOUTH EUGENE STREET				
GREENSBORO NC 27406	NONE		PUBLIC	UNRESTRICTED	40,000
SALVATION ARMY	2100 PALM BEACH LAKES BLV				
WEST PALM BEACH FL 33401	NONE		PUBLIC	UNRESTRICTED	10,000
THEO'S WORK, INC.	2303 W. MARKET STREET				
GREENSBORO NC 27403	NONE		PUBLIC	UNRESTRICTED	20,000
TRIAD STAGE	232 SOUTH ELM STREET				
GREENSBORO NC 27401	NONE		PUBLIC	UNRESTRICTED	22,700
TRIAD YOUTH GOLF FOUNDAT	5834 BUR-MIL CLUB ROAD				
GREENSBORO NC 27410	NONE		PUBLIC	UNRESTIRCTED	500
UNC LINEBERGER COMP. CANC	101 MANNING DRIVE				
CHAPEL HILL, NC 27514	NONE		PUBLIC	UNRESTRICTED	5,000
UNITED WAY OF GREATER GBO	1500 YANCEVILLE STREET				
GREENSBORO NC 27405	NONE		PUBLIC	UNRESTRICTED	5,000
UNITED WAY OF PALM BEACH	2600 QUANTUM BLVD				
BOYNTON BEACH FL 33426	NONE		PUBLIC	UNRESTRICTED	8,000
Total					482,243