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 December 1 **, 2009, and ending** November 30 **, 20** 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: Hunley Foundation	A Employer identification number: 54-1922725
Number and street (or P O box number if mail is not delivered to street address): 1353 Old Church Road — Room/suite:	B Telephone number (see page 10 of the instructions): 804-779-2374
City or town, state, and ZIP code: Mechanicsville, VA 23111-6001	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

I Fair market value of all assets at end of year *(from Part II, col (c), line 16)* ▶ $ 46,558

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

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)	0			
2	Check ▶ ☐ if the foundation is **not** required to attach Sch. B				
3	Interest on savings and temporary cash investments	4	4	0	
4	Dividends and interest from securities	1,183	1,183	0	
5a	Gross rents	0	0	0	
b	Net rental income or (loss) 0				
6a	Net gain or (loss) from sale of assets not on line 10	0			
b	Gross sales price for all assets on line 6a 0				
7	Capital gain net income (from Part IV, line 2)		0		
8	Net short-term capital gain			0	
9	Income modifications			0	
10a	Gross sales less returns and allowances 0				
b	Less Cost of goods sold 0				
c	Gross profit or (loss) (attach schedule)	0		0	
11	Other income (attach schedule)	0	0	0	
12	**Total.** Add lines 1 through 11	1,187	1,187	0	
Operating and Administrative Expenses					
13	Compensation of officers, directors, trustees, etc	0	0	0	0
14	Other employee salaries and wages	0	0	0	0
15	Pension plans, employee benefits	0	0	0	0
16a	Legal fees (attach schedule)	0	0	0	0
b	Accounting fees (attach schedule)	0	0	0	0
c	Other professional fees (attach schedule)	0	0	0	0
17	Interest	0	0	0	0
18	Taxes (attach schedule) (see page 14 of the instructions)	54	0	0	0
19	Depreciation (attach schedule) and depletion	0	0	0	
20	Occupancy	0	0	0	0
21	Travel, conferences, and meetings	0	0	0	0
22	Printing and publications	0	0	0	0
23	Other expenses (attach schedule)	25	0	0	25
24	**Total operating and administrative expenses.** Add lines 13 through 23	79	0	0	25
25	Contributions, gifts, grants paid	2,000			2,000
26	**Total expenses and disbursements.** Add lines 24 and 25	2,079	0	0	2,025
27	Subtract line 26 from line 12.				
a	**Excess of revenue over expenses and disbursements**	(892)			
b	**Net investment income** (if negative, enter -0-)		1,187		
c	**Adjusted net income** (if negative, enter -0-)			0	

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Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets 1	Cash—non-interest-bearing	1,519	1,240	1,240
2	Savings and temporary cash investments	42,339	133	133
3	Accounts receivable ▶ 0			
	Less allowance for doubtful accounts ▶ 0	0	0	0
4	Pledges receivable ▶ 0			
	Less allowance for doubtful accounts ▶ 0	0	0	0
5	Grants receivable	0	0	0
6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions)	0	0	0
7	Other notes and loans receivable (attach schedule) ▶ 0			
	Less. allowance for doubtful accounts ▶ 0	0	0	0
8	Inventories for sale or use	0	0	0
9	Prepaid expenses and deferred charges	0	0	0
10a	Investments—U S and state government obligations (attach schedule)	0	0	0
b	Investments—corporate stock (attach schedule)	0	45,185	45,185
c	Investments—corporate bonds (attach schedule)	0	0	0
11	Investments—land, buildings, and equipment basis ▶ 0			
	Less accumulated depreciation (attach schedule) ▶ 0	0	0	0
12	Investments—mortgage loans	0	0	0
13	Investments—other (attach schedule)	0	0	0
14	Land, buildings, and equipment. basis ▶ 0			
	Less accumulated depreciation (attach schedule) ▶ 0	0	0	0
15	Other assets (describe ▶ None)	0	0	0
16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	43,858	46,558	46,558
Liabilities 17	Accounts payable and accrued expenses	0	0	
18	Grants payable	0	0	
19	Deferred revenue	0	0	
20	Loans from officers, directors, trustees, and other disqualified persons	0	0	
21	Mortgages and other notes payable (attach schedule)	0	0	
22	Other liabilities (describe ▶ None)	0	0	
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	0	0	
28	Paid-in or capital surplus, or land, bldg., and equipment fund	100,978	100,978	
29	Retained earnings, accumulated income, endowment, or other funds	(57,120)	(54,420)	
30	**Total net assets or fund balances** (see page 17 of the instructions)	43,858	46,558	
31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	43,858	46,558	

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	43,858
2	Enter amount from Part I, line 27a	2	(892)
3	Other increases not included in line 2 (itemize) ▶ Year-to-Date Unrealized Capital Gains	3	3,593
4	Add lines 1, 2, and 3	4	46,558
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	46,558

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	Hunley Foundation had NO Realized Capital			
b	Gains or Losses for Fiscal Year 2009			
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e				

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

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

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7 }	2	0
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	0

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☑ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2008	1,525	41,764	0365
2007	3,001	50,353	.0596
2006	3,004	59,482	.0505
2005	3,004	55,559	.0541
2004	2,507	55,655	.0450

2	**Total** of line 1, column (d)	2	.2457
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	.0491
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	44,628
5	Multiply line 4 by line 3	5	2,191
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	12
7	Add lines 5 and 6	7	2,203
8	Enter qualifying distributions from Part XII, line 4	8	2,025

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

Hunley Foundation does not qualify for 1% rate

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
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
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
6	Credits/Payments		
a	2009 estimated tax payments and 2008 overpayment credited to 2009 — 6a: 0		
b	Exempt foreign organizations—tax withheld at source — 6b: 0		
c	Tax paid with application for extension of time to file (Form 8868) — 6c: 0		
d	Backup withholding erroneously withheld — 6d: 0		
7	Total credits and payments Add lines 6a through 6d	7	0
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	0
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	24
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	0
11	Enter the amount of line 10 to be **Credited to 2010 estimated tax** ▶ **Refunded** ▶	11	0

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		✓
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		✓
	*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		✓
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		✓
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		✓
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		✓
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		- N/A
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		✓
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	✓	
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	✓	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ Virginia			
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	✓	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? *If "Yes," complete Part XIV*	9		✓
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		✓

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

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

Website address ▶ N/A

14 The books are in care of ▶ Dallas J. Hunley, President & Director Telephone no. ▶ 804-779-2374

Located at ▶ 1353 Old Church Road, Mechanicsville, VA ZIP+4 ▶ 23111-6001

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041**—Check here ▶ ☐ and enter the amount of tax-exempt interest received or accrued during the year ▶ 15

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

	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☑ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☑ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☑ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☑ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☑ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☑ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?	1b		- N\A
	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		✓
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.)	2b		- N\A
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.)*	3b		- N\A
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		✓
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		✓

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)? **5b** -N\A

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? ☐ 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** ✓

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? **7b** -N\A

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
Dallas J. Hunley 1353 Old Church Road, Mechanicsville, VA 23111	President 1hr/wk	0	0	0
David J. Hunley 1353 Old Church Road, Mechanicsville, VA 23111	VPTreasurer 1hr/wk	0	0	0
Elizabeth J. Hunley 1353 Old Church Road, Mechanicsville, VA 23111	Secretary 1hr/wk	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 ▶ NONE

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 ▶		NONE

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 Develop investment strategies to accumulate funds for use in satisfying the Hunley Foundation's objectives.	0
2 Evaluate potential beneficiaries of Hunley Foundation grants.	0
3 Award beneficiary grants to qualified charitable organizations	2,000
4 Perform Hunley Foundation management, accounting, and administrative functions	79

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 None	0
2 None	0
All other program-related investments See page 24 of the instructions 3 None	0
Total. Add lines 1 through 3 ▶	0

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	28,953
b	Average of monthly cash balances	1b	16,355
c	Fair market value of all other assets (see page 24 of the instructions)	1c	0
d	**Total** (add lines 1a, b, and c)	1d	45,308
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	45,308
4	Cash deemed held for charitable activities Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	680
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	44,628
6	**Minimum investment return.** Enter 5% of line 5	6	2,231

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	2,231
2a	Tax on investment income for 2009 from Part VI, line 5 — 2a: 24		
b	Income tax for 2009 (This does not include the tax from Part VI) — 2b: 0		
c	Add lines 2a and 2b	2c	24
3	Distributable amount before adjustments Subtract line 2c from line 1	3	2,207
4	Recoveries of amounts treated as qualifying distributions	4	0
5	Add lines 3 and 4	5	2,207
6	Deduction from distributable amount (see page 25 of the instructions)	6	0
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	2,207

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	2,025
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	0
3	Amounts set aside for specific charitable projects that satisfy the.		
a	Suitability test (prior IRS approval required)	3a	0
b	Cash distribution test (attach the required schedule)	3b	0
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	2,025
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	2,025

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					2,207
2	Undistributed income, if any, as of the end of 2009:					
a	Enter amount for 2008 only				0	
b	Total for prior years: 20 05 ,20 06 ,20 07			0		
3	Excess distributions carryover, if any, to 2009					
a	From 2004	0				
b	From 2005	0				
c	From 2006	0				
d	From 2007	362				
e	From 2008	0				
f	**Total** of lines 3a through e		362			
4	Qualifying distributions for 2009 from Part XII, line 4 ▶ $ 2,025					
a	Applied to 2008, but not more than line 2a				0	
b	Applied to undistributed income of prior years (Election required—see page 26 of the instructions)			0		
c	Treated as distributions out of corpus (Election required—see page 26 of the instructions)		0			
d	Applied to 2009 distributable amount					2,025
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).)*		182			182
6	**Enter the net total of each column as indicated below:**					
a	Corpus Add lines 3f, 4c, and 4e Subtract line 5		180			
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 page 27 of the instructions			0		
e	Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				0	
f	Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010					0
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)		0			
8	Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)		0			
9	**Excess distributions carryover to 2010.** Subtract lines 7 and 8 from line 6a		180			
10	Analysis of line 9					
a	Excess from 2005	0				
b	Excess from 2006	0				
c	Excess from 2007	180				
d	Excess from 2008	0				
e	Excess from 2009	0				

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 ▶ **Not Applicable**

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	N/A	N/A	N/A	N/A	N/A
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		NOT			
3 Complete 3a, b, or c for the alternative test relied upon		APPLI	CABL	E	
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).)

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 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:

Not Applicable

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

Not Applicable

c Any submission deadlines

Not Applicable

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

Not Applicable

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*				
Heifer International **P.O. Box 8058** **Little Rock, Arkansas 72203-8058** **Toll Free Telephone (877) 663-1688** **Website: www heifer org**	**Not Applicable**	**Exempt**	**Charitable Organization**	**2,000**
Total			▶ **3a**	**2,000**
b *Approved for future payment*				
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 (See page 28 of the instructions)
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					4
4 Dividends and interest from securities					1,183
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					
8 Gain or (loss) from sales of assets other than inventory					0
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		0	1,183

13 **Total.** Add line 12, columns (b), (d), and (e) . . . 13 1,183

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

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See page 29 of the instructions)
3	Investment activities return interest which is accumulated to provide funds for grants to religious, charitable, educational, and scientific organizations. The Hunley Foundation's exempt purpose is to provide financial assistance to these types or organizations.
4	Investment activities return dividends which are accumulated to provide funds for grants to religious, charitable, educational, and scientific organizations. The Hunley Foundation's exempt purpose is to provide financial assistance to these types or organizations.
8	Investment activities return capital gains / losses which are accumulated to provide funds for grants to religious, charitable, educational, and scientific organizations. The Hunley Foundation's exempt purpose is to provide financial assistance to these types or organizations.

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)		✓
	(2) Other assets	1a(2)		✓
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		✓
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		✓
	(3) Rental of facilities, equipment, or other assets	1b(3)		✓
	(4) Reimbursement arrangements	1b(4)		✓
	(5) Loans or loan guarantees	1b(5)		✓
	(6) Performance of services or membership or fundraising solicitations	1b(6)		✓
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		✓

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	N/A	Not Applicable	Not Applicable

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
Not Applicable	Not Applicable	Not Applicable

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

William Thursby 1/17/2011 President / Director

Signature of officer or trustee Date Title

Paid Preparer's Use Only

Preparer's signature | Date | Check if self-employed ☐ | Preparer's identifying number (see **Signature** on page 30 of the instructions)

Firm's name (or yours if self-employed), address, and ZIP code | EIN | Phone no

2009 FORM 990-PF
HUNLEY FOUNDATION
FEDERAL TAX EIN - 54-1922725
BALANCE SHEET (MARKET VALUE ACCOUNTING)

		|---WELLS FARGO ADVISORS---|		|---DAVENPORT & COMPANY---|								
DATE	BB & T OPERATING CASH	CASH AND MONEY MARKET	EQUITY SECURITIES (MARKET)	CASH AND MONEY (MARKET)	EQUITY SECURITIES (MARKET)	TOTAL ASSETS	CURRENT LIABILITIES	LONG TERM LIABILITIES	TOTAL LIABILITIES	PAID IN CAPITAL (DONATIONS)	RETAINED EARNINGS	FOUNDATION EQUITY
12/31/2009	$ 1,519 00	$ 42,339 95	$ -	$ -	$ -	$ 43,858 95	$ -	$ -	$ -	$ 100,977 69	$ (57,118 74)	$ 43,858 95
1/31/2010	$ 1,465 00	$ 42 340 79	$ -	$ -	$ -	$ 43,805 79	$ -	$ -	$ -	$ 100,977 69	$ (57,171 90)	$ 43,805 79
2/28/2010	$ 1,465 00	$ 42,341 44	$ -	$ -	$ -	$ 43 806 44	$ -	$ -	$ -	$ 100,977 69	$ (57,171 25)	$ 43,806 44
3/31/2010	$ 1,465 00	$ 42 342 16	$ -	$ -	$ -	$ 43,807 16	$ -	$ -	$ -	$ 100,977 69	$ (57 170 53)	$ 43 807 16
4/30/2010	$ 1,465 00	$ 750 38	$ 42,450 00	$ -	$ -	$ 44 665 38	$ -	$ -	$ -	$ 100,977 69	$ (56,312 31)	$ 44,665 38
5/31/2010	$ 1,465 00	$ 750 39	$ 40,290 00	$ -	$ -	$ 42,505 39	$ -	$ -	$ -	$ 100,977 69	$ (58,472 30)	$ 42,505 39
6/30/2010	$ 1,465 00	$ 1 337 91	$ 40,640 00	$ -	$ -	$ 43,442 91	$ -	$ -	$ -	$ 100,977 69	$ (57,534 78)	$ 43,442 91
7/31/2010	$ 1,465 00	$ 1,337 93	$ 43,315 00	$ -	$ -	$ 46 117 93	$ -	$ -	$ -	$ 100,977 69	$ (54,859 76)	$ 46 117 93
8/31/2010	$ 1,465 00	$ 1,337 95	$ 44,115 00	$ -	$ -	$ 46 917 95	$ -	$ -	$ -	$ 100,977 69	$ (54,059 74)	$ 46,917 95
9/30/2010	$ 1,465 00	$ 1,932 98	$ 45 185 00	$ -	$ -	$ 48,582 98	$ -	$ -	$ -	$ 100,977 69	$ (52,394 71)	$ 48,582 98
10/31/2010	$ 3,240 00	$ 133 00	$ 46,250 00	$ -	$ -	$ 49,623 00	$ -	$ -	$ -	$ 100,977 69	$ (51,354 69)	$ 49,623 00
11/30/2010	$ 1,240 00	$ 133 00	$ 45,185 00	$ -	$ -	$ 46,558 00	$ -	$ -	$ -	$ 100,977 69	$ (54,419 69)	$ 46,558 00

2009 FORM 990-PF
HUNLEY FOUNDATION
FEDERAL TAX EIN - 54-1922725
INCOME STATEMENT

MONTH ENDED	CAPITAL TRANSACTIONS PAID IN CAPITAL DONATIONS	OPERATING TRANSACTIONS TOTAL INTEREST	TOTAL DIVIDENDS	OPERATING DISBURSEMENTS	GRANTS	REALIZED CAPITAL GAINS (LOSSES)	UNREALIZED GAINS (LOSSES)	OPERATING INCOME (LOSS)	CHANGE IN FOUNDATION EQUITY INCREASE (DECREASE)
12/31/2009	$ -	$ 1 44	$ -	$ -	$ -	$ -	$ (0 00)	$ 1 44	$ 1 44
1/31/2010	$ -	$ 0 84	$ -	$ (54 00)	$ -	$ -	$ 0 00	$ (53 16)	$ (53 16)
2/28/2010	$ -	$ 0 65	$ -	$ -	$ -	$ -	$ 0 00	$ 0 65	$ 0 65
3/31/2010	$ -	$ 0 72	$ -	$ -	$ -	$ -	$ 0 00	$ 0 72	$ 0 72
4/30/2010	$ -	$ 0 49	$ -	$ -	$ -	$ -	$ 857 73	$ 858 22	$ 858 22
5/31/2010	$ -	$ 0 01	$ -	$ -	$ -	$ -	$ (2,160 00)	$ (2,159 99)	$ (2,159 99)
6/30/2010	$ -	$ 0 02	$ 587 50	$ -	$ -	$ -	$ 350 00	$ 937 52	$ 937 52
7/31/2010	$ -	$ 0 02	$ -	$ -	$ -	$ -	$ 2,675 00	$ 2,675 02	$ 2,675 02
8/31/2010	$ -	$ 0 02	$ -	$ -	$ -	$ -	$ 800 00	$ 800 02	$ 800 02
9/30/2010	$ -	$ 0 03	$ 595 00	$ -	$ -	$ -	$ 1,070 00	$ 1,665 03	$ 1,665 03
10/31/2010	$ -	$ 0 02	$ -	$ (25 00)	$ -	$ -	$ 1,065 00	$ 1,040 02	$ 1,040 02
11/30/2010	$ -	$ -	$ -	$ -	$ (2 000 00)	$ -	$ (1,065 00)	$ (3,065 00)	$ (3,065 00)
TOTAL YTD	$ -	$ 4 26	$ 1,182 50	$ (79 00)	$ (2,000 00)	$ -	$ 3,592 73	$ 2,700 49	$ 2,700 49
FOUNDATION TO DATE	$ 100,977 69	$ 2 416 06	$ 18 711 05	$ (5,668 75)	$ (32,000 00)	$ (41,470 78)	$ 3,592 73	$ (54,419 69)	$ 46,558 00

2009 FORM 990-PF
HUNLEY FOUNDATION
FEDERAL TAX EIN - 54-1922725
INTEREST AND DIVIDENDS

MONTH ENDED	WELLS FARGO ADVISORS INTEREST	WELLS FARGO ADVISORS DIVIDENDS	WELLS FARGO ADVISORS TOTAL	DAVENPORT & COMPANY INTEREST	DAVENPORT & COMPANY DIVIDENDS	DAVENPORT & COMPANY TOTAL	TOTAL INTEREST & DIVIDENDS
12/31/2009	$ 1 44	$ -	$ 1 44	$ -	$ -	$ -	$ 1 44
1/31/2010	$ 0 84	$ -	$ 0 84	$ -	$ -	$ -	$ 0 84
2/28/2010	$ 0 65	$ -	$ 0 65	$ -	$ -	$ -	$ 0 65
3/31/2010	$ 0 72	$ -	$ 0 72	$ -	$ -	$ -	$ 0 72
4/30/2010	$ 0 49	$ -	$ 0 49	$ -	$ -	$ -	$ 0 49
5/31/2010	$ 0 01	$ -	$ 0 01	$ -	$ -	$ -	$ 0 01
6/30/2010	$ 0 02	$ 587 50	$ 587 52	$ -	$ -	$ -	$ 587 52
7/31/2010	$ 0 02	$ -	$ 0 02	$ -	$ -	$ -	$ 0 02
8/31/2010	$ 0 02	$ -	$ 0 02	$ -	$ -	$ -	$ 0 02
9/30/2010	$ 0 03	$ 595 00	$ 595 03	$ -	$ -	$ -	$ 595 03
10/31/2010	$ 0 02	$ -	$ 0 02	$ -	$ -	$ -	$ 0 02
11/30/2010	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL YTD	$ 4 26	$ 1,182 50	$ 1,186 76	$ -	$ -	$ -	$ 1,186 76

2009 FORM 990-PF
HUNLEY FOUNDATION
FEDERAL TAX EIN - 54-1922725
FOUNDATION EQUITY

MONTH ENDED	NET FOUNDATION EQUITY EOM	NET FOUNDATION EQUITY BOM	CHANGE IN FOUNDATION EQUITY INCREASE (DECREASE)	NOTES
12/31/2009	$ 43 858 95	$ 43 857 51	$ 1 44	
1/31/2010	$ 43 805 79	$ 43 858 95	$ (53 16)	
2/28/2010	$ 43 806 44	$ 43,805 79	$ 0 65	
3/31/2010	$ 43 807 16	$ 43,806 44	$ 0 72	
4/30/2010	$ 44 665 38	$ 43,807 16	$ 858 22	
5/31/2010	$ 42,505 39	$ 44,665 38	$ (2 159 99)	
6/30/2010	$ 43,442 91	$ 42 505 39	$ 937 52	
7/31/2010	$ 46 117 93	$ 43,442 91	$ 2,675 02	
8/31/2010	$ 46 917 95	$ 46 117 93	$ 800 02	
9/30/2010	$ 48,582 98	$ 46 917 95	$ 1 665 03	
10/31/2010	$ 49,623 00	$ 48,582 98	$ 1,040 02	
11/30/2010	$ 46,558 00	$ 49,623 00	$ (3 065 00)	$2 000 GRANT ISSUED 11/12010
Average	$ 45,307 66	$ 45,082 62		End of Fiscal Year Calculation Only

2009 FORM 990-PF
HUNLEY FOUNDATION
FEDERAL TAX EIN - 54-1922725
CAPITAL GAINS AND LOSSES

TRADE SYMBOL	# SHARES / UNITS	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST BASIS	SALE PROCEEDS	GAIN (LOSS)	APPEARS ON TAX RETURN	LONG TERM OR SHORT TERM
		THERE WERE NO REALIZED CAPITAL GAINS OR LOSSES DURING FISCAL YEAR 2009							

2009 FORM 990-PF
HUNLEY FOUNDATION
FEDERAL TAX EIN - 54-1922725
SECURITY PORTFOLIO

TRADE SYMBOL	# SHARES	DESCRIPTION	DATE RECEIVED OR PURCHASED	DATE SOLD	COST BASIS
DUK	1,500	DUKE ENERGY CORP	4/19/2010		$ 24,335 82
SO	500	THE SOUTHERN COMPANY	4/19/2010		$ 17,256 45
					$ 41 592 27

NOTE MARKET VALUES ARE CALCULATED USING CLOSING PER SHARE STOCK PRICE AS REPORTED BY THE APPLICABLE STOCK EXCHANGES

UNREALIZED GAIN (LOSS) RECONCILIATION

MARKET VALUE OF SECURITIES	$	45,185 00
COST BASIS OF SECURITIES	$	41,592 27
UNREALIZED GAINS (LOSSE	$	3,592 73

2009 FORM 990-PF
HUNLEY FOUNDATION
FEDERAL TAX EIN - 54-1922725
DONATION REGISTER

NOTE DONATIONS ARE TREATED AS "PAID IN CAPITAL' FOR BALANCE SHEET PURPOSES

DATE RECEIVED	DESCRIPTION OF DONATION	DONOR	DONATION AMOUNT	ACCUMULATED DONATIONS

THE HUNLEY FOUNDATION RECEIVED NO DONATIONS DURING THE PERIOD 12/2009 THROUGH 11/2010 (FISCAL 2009)

2009 FORM 990-PF
HUNLEY FOUNDATION
FEDERAL TAX EIN - 54-1922725
DISBURSEMENT REGISTER

DATE	PAYEE	DESCRIPTION OF DISBURSEMENT	FIRST UNION CHECK NUMBER	BB & T CHECK NUMBER	AMOUNT
1/23/2010	UNITED STATES TREASURY	2008 FEDERAL EXCISE TAX ON INVESTMENT EARNINGS	N/A	1032	$ 54 00
10/18/2010	TREASURER OF VIRGINIA	2010 STATE CORPORATION COMMISSION ANNUAL CORPORATION REGISTRATION FEE	N/A	1033	$ 25 00

2009 FORM 990-PF
HUNLEY FOUNDATION
FEDERAL TAX EIN - 54-1922725
GRANT REGISTER

DATE	GRANTEE	FIRST UNION CHECK NUMBER	BB & T CHECK NUMBER	AMOUNT
11/13/2010	HEIFER INTERNATIONAL ATTN DONOR SERVICES P O BOX 8058 LITTLE ROCK, ARKANSAS 72203-8058 CONTACT PAMELA STONE TOLL FREE TELEPHONE (877) 663-1688 WWW HEIFER ORG		1034	$ 2,000 00