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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

2010Department 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 2010, or tax year beginning , 2010, and ending

G Check all that apply ☐ Initial return ☐ Initial Return of a former public charity ☐ Final return
☐ Amended return ☐ Address change ☐ Name change

Name of foundation

The Midgard Foundation

Number and street (or P O box number if mail is not delivered to street address)

P.O. Box 7286

City or town

Asheville

State ZIP code

NC 28802**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, column (c), line 16)**\$ 2,553,001.****J** Accounting method ☒ Cash ☐ Accrual
☐ Other (specify) _____

(Part I, column (d) must be on cash basis)

A Employer identification number**13-6206619****B** Telephone number (see the instructions)**(828) 253-0304****C** If exemption application is pending, check here ☐**D 1** Foreign organizations, check here ☐**2** Foreign organizations meeting the 85% test, check here and attach computation ☐**E** If private foundation status was terminated under section 507(b)(1)(A), check here ☐**F** If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐**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 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 (att sch)**2** Ck ☒ if the foundn is not req to att Sch B**3** Interest on savings and temporary cash investments**477.****477.****4** Dividends and interest from securities**55,824.****55,824.****5a** Gross rents**b** Net rental income or (loss)**6a** Net gain/(loss) from sale of assets not on line 10**b** Gross sales price for all assets on line 6a **1,216,961.****7** Capital gain net income (from Part IV, line 2)**0.****8** Net short-term capital gain**9** Income modifications**10a** Gross sales less returns and allowances**b** Less Cost of goods sold**c** Gross profit/(loss) (att sch)**11** Other income (attach schedule)**Royalties****550.****550.****12 Total.** Add lines 1 through 11**56,851.****56,851.****13** Compensation of officers, directors, trustees, etc**0.****14** Other employee salaries and wages**0.****15** Pension plans, employee benefits**0.****16a** Legal fees (attach schedule)**0.****b** Accounting fees (attach sch)**544.****544.****c** Other prof fees (attach sch)**17** Interest**18** Taxes (attach schedule) (see instr.) See Line 18 Stmt**1,544.****19** Depreciation (attach sch) and depletion**0.****20** Occupancy**1,603.****1,116.****487.****21** Travel, conferences, and meetings**22** Printing and publications**23** Other expenses (attach schedule)**See Line 23 Stmt****12,302.****8,647.****4,624.****24 Total operating and administrative expenses.** Add lines 13 through 23**15,993.****10,307.****5,111.****25** Contributions, gifts, grants paid**135,010.****135,010.****26 Total expenses and disbursements.** Add lines 24 and 25**151,003.****10,307.****140,121.****27** Subtract line 26 from line 12:**a Excess of revenue over expenses and disbursements****-94,152.****b Net investment income** (if negative, enter -0-)**46,544.****c Adjusted net income** (if negative, enter -0-)

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

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash — non-interest-bearing	75,213.	49,569.	49,569.
	2 Savings and temporary cash investments	464,963.	262,011.	262,011.
	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 the instructions)			
	7 Other notes and loans receivable (attach sch)			
	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) L-10b Stmt	1,255,904.	725,452.	1,229,473.
	c Investments — corporate bonds (attach schedule)			
	11 Investments — land, buildings, and equipment basis			
Less accumulated depreciation (attach schedule)				
12 Investments — mortgage loans				
13 Investments — other (attach schedule) L-13 Stmt	241,734.	905,782.	1,011,948.	
14 Land, buildings, and equipment basis				
Less: accumulated depreciation (attach schedule)				
15 Other assets (describe _____)				
16 Total assets (to be completed by all filers — see instructions. Also, see page 1, item I)	2,037,814.	1,942,814.	2,553,001.	
LIABILITIES	17 Accounts payable and accrued expenses	0.		
	18 Grants payable	0.		
	19 Deferred revenue	0.		
	20 Loans from officers, directors, trustees, & other disqualified persons	0.		
	21 Mortgages and other notes payable (attach schedule)	0.		
	22 Other liabilities (describe _____)	0.		
	23 Total liabilities (add lines 17 through 22)	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	2,037,814.	1,942,814.	
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see the instructions)	2,037,814.	1,942,814.	
31 Total liabilities and net assets/fund balances (see the instructions)	2,037,814.	1,942,814.		

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	2,037,814.
2 Enter amount from Part I, line 27a	2	-94,152.
3 Other increases not included in line 2 (itemize) _____	3	
4 Add lines 1, 2, and 3	4	1,943,662.
5 Decreases not included in line 2 (itemize) <u>Short term loss basis adjustment</u>	5	848.
6 Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	1,942,814.

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 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a 2000 shs Bank of America	P	12/17/03	06/22/10
b 1000 shs Conoco Phillips	P	08/20/07	02/16/10
c 1000 shs Microsoft Corp	P	03/23/06	06/22/10
d 1000 shs Microsoft Corp	P	03/23/06	08/31/10
e See Columns (a) thru (d)			

(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 31,205.		78,376.	-47,171.
b 49,547.		79,858.	-30,311.
c 25,850.		26,970.	-1,120.
d 23,072.		26,970.	-3,898.
e See Columns (e) thru (h)		990,616.	71,659.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			-47,171.
b			-30,311.
c			-1,120.
d			-3,898.
e See Columns (i) thru (l)			71,659.

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	-10,841.
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 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 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 (column (b) divided by column (c))
2009	150,300.	2,448,919.	0.061374
2008	190,375.	2,826,320.	0.067358
2007	196,056.	3,458,089.	0.056695
2006	236,908.	3,257,806.	0.072720
2005	234,756.	3,234,571.	0.072577

2 Total of line 1, column (d)	2	0.330724
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	0.066145
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	0.
5 Multiply line 4 by line 3	5	0.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	465.
7 Add lines 5 and 6	7	465.
8 Enter qualifying distributions from Part XII, line 4	8	140,121.

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

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

1 a. 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 instr.)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b		1	465.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (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	465.
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	465.
6 Credits/Payments			
a 2010 estimated tax pmts and 2009 overpayment credited to 2010	6a	2,163.	
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	2,163.	
8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	1,698.	
11 Enter the amount of line 10 to be Credited to 2011 estimated tax ☐ Refunded ☐	11	1,698.	

Part VII-A Statements Regarding Activities

	Yes	No
1 a 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 the instructions for definition)? <i>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</i>		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? <i>If 'Yes,' attach a detailed description of the activities</i>		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? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a 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? <i>If 'Yes,' attach the statement required by General Instruction T</i>		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? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions). See States Registered In _____		
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? <i>If 'No,' attach explanation</i>	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 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X

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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 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 <u>N/A</u>	13	X	
14	The books are in care of <u>Phillip C. Broughton</u> Telephone no <u>(828) 253-0304</u> Located at <u>380 Elk Mt. Scenic Highway, Asheville, NC</u> ZIP + 4 <u>28804-1708</u>			
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 <u>15</u>			
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country <u></u>	16	Yes	No X

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 the instructions)? Organizations relying on a current notice regarding disaster assistance check here ☐	1b	
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 2010?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? ☐ Yes ☒ No If 'Yes,' list the years <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
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 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 <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
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 2010 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 2010)	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 2010?	4b	X

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to**(1)** Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?☐ Yes ☒ No**(2)** Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?☐ Yes ☒ No**(3)** Provide a grant to an individual for travel, study, or other similar purposes?☐ Yes ☒ No**(4)** Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see 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 instructions)?**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?☐ 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

X

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****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 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
Phillip C Broughton P.O. Box 7286, Asheville, NC 28802	Pres 15.00	0.	0.	0.
Phillip C Broughton, Jr 3 Lornelle Place Asheville NC 28804	Vice Pres 1.00	0.	0.	0.
David L. Smith P.O. Box 7286, Asheville, NC 28802	Secy, Treas 3.00	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1 – see 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				
0				
0				
0				
0				

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 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	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3	

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1 a	
b	Average of monthly cash balances	1 b	
c	Fair market value of all other assets (see instructions)	1 c	
d	Total (add lines 1a, b, and c)	1 d	
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	0.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	0.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	0.
6	Minimum investment return. Enter 5% of line 5	6	0.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	0.
2a	Tax on investment income for 2010 from Part VI, line 5	2 a	465.
b	Income tax for 2010 (This does not include the tax from Part VI)	2 b	
c	Add lines 2a and 2b	2 c	465.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	0.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	0.
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	0.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc. — total from Part I, column (d), line 26	1 a	140,121.
b	Program-related investments — total from Part IX-B	1 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)	3 a	
b	Cash distribution test (attach the required schedule)	3 b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	140,121.
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 instructions)	5	465.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	139,656.

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

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				0.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			121,583.	
b Total for prior years 20__, 20__, 20__				
3 Excess distributions carryover, if any, to 2010				
a From 2005	237,425.			
b From 2006	239,546.			
c From 2007	196,056.			
d From 2008	190,375.			
e From 2009	152,875.			
f Total of lines 3a through e	1,016,277.			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 140,121.				
a Applied to 2009, but not more than line 2a				
b Applied to undistributed income of prior years (Election required — see instructions)				
c Treated as distributions out of corpus (Election required — see instructions)				
d Applied to 2010 distributable amount				
e Remaining amount distributed out of corpus	140,121.			
5 Excess distributions carryover applied to 2010 (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	1,156,398.			
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				
d Subtract line 6c from line 6b Taxable amount — see instructions		0.		
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount — see instructions			121,583.	
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see instructions)	237,425.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	918,973.			
10 Analysis of line 9				
a Excess from 2006	239,546.			
b Excess from 2007	196,056.			
c Excess from 2008	190,375.			
d Excess from 2009	152,875.			
e Excess from 2010	140,121.			

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

N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, 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) 2010	(b) 2009	(c) 2008	(d) 2007	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a 'Assets' alternative test – enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b 'Endowment' alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c 'Support' alternative test – enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year – see instructions.)**1 Information Regarding Foundation Managers:**

- a** List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))
- none
- b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.
- none

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

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

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

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<i>a Paid during the year</i> Schedule Attached See schedule attached -		public	general support	135,010.
Total			3a	135,010.
<i>b Approved for future payment</i> University of NC Asheville Asheville NC 28804	50,000	public	scholarships	50,000.
Total			3b	50,000.

**990-EZ, 990, 990-T and 990-PF
Information Worksheet**

2010

Part I – Identifying Information

Employer Identification Number 13-6206619
 Name The Midgard Foundation
 Doing Business As _____
 Address P.O. Box 7286 Room/Suite _____
 City Asheville State NC ZIP Code 28802
 Foreign Country _____
 Telephone Number (828) 253-0304 Extension _____
 Fax (828) 258-0729 E-Mail Address philbrou@aol.com

☐ **Eligible for hurricane tax relief legislation benefits, check here**

Part II – Type of Return

☐ Form 990-EZ only	☐ Form 990-EZ with Form 990-T
☐ Form 990 only	☐ Form 990 with Form 990-T
☒ Form 990-PF only	☐ Form 990-PF with Form 990-T
☐ Form 990-T only	☐ Form 990-N (gross receipts \$50,000 or less) for Electronic Filing only

☐ **QuickBooks Import Users & 990 to 990-EZ Data Transfer Option:** Check if you're filing the EZ & want 990 imported data copied to the EZ **OR** for those not importing from QuickBooks who transferred from prior year 990 and now qualify to file the EZ this year, check this box to transfer 990 data to the EZ

IMPORTANT

Before transferring data from Form 990 to Form 990-EZ, refer to "How to transfer data from filing Form 990 to 990-EZ" listed above in the Most Common Support Questions or Tax Help for this line

Part III – Type of Organization

☒ 501(c) Corporation/Association <u>3</u> (subsection number)	☐ 220(e) Trust
☐ 501(c) Trust _____ (subsection number)	☐ 408A Trust
☐ 4947(a)(1) Trust	☐ 529(a) Corporation
☐ 408(e) Trust	☐ 529(a) Trust
☐ 401(a) Trust	☐ 530(a) Trust
☐ Other _____ (describe)	☐ 527 Organization
	☐ 501(c) Association

Part IV – Tax Year and Filing Information

☒ Calendar year
☐ Fiscal year — Ending month _____
☐ Short year — Beginning date _____ Ending date _____

☒ Check this box if the organization is enrolled in the Electronic Federal Tax Payment System (EFTPS)

Part V – 2010 Estimated Taxes Paid

☒ Check this box if the organization is a private foundation

Amount of 2009 overpayment credited to 2010 estimated tax Form 990-T Form 990-PF 2,163.

Payment Quarters	Due Date	Form 990-T		Form 990-PF	
		Date Paid	Amount Paid	Date Paid	Amount Paid
1st Quarter Payment	05/17/10				
2nd Quarter Payment	06/15/10				
3rd Quarter Payment	09/15/10				
4th Quarter Payment	12/15/10				
Additional Payment 1					
Additional Payment 2					
Additional Payment 3					
Additional Payment 4					

Part VI – Electronic Filing Information

IMPORTANT: Do **not** use the Miscellaneous Statement or Additional Information if filing Form 990 or Form 990-EZ. These statements will **not** be transmitted with the return. Use Schedule O or the applicable Supplemental Information for the appropriate Schedule.

Electronic Filing:

☐ File the federal return electronically

Practitioner PIN program:

☐ Sign this return electronically using the Practitioner PIN

☐ ERO entered PIN

Officer's PIN (enter any 5 numbers) _____

Date PIN entered _____

Electronic Filing of Extensions:

☐ Check this box to file **Form 8868** (application for extension of time to file return) electronically

Information required for Electronic Filing:

Officer's Name _____

Electronic Filing of Amended Return:

☐ Check this box to file **amended return** electronically

Part VII – Electronic Funds Withdrawal Information (Form 990PF filers only)

Yes No

☐ ☒ Use **electronic funds withdrawal** of **federal balance due** (EF only)?

☐ ☒ Use **electronic funds withdrawal** of **Form 8868 balance due** (EF only)?

☐ ☒ Use **electronic funds withdrawal** of **amended return balance due** (EF only)?

If any options selected above, enter information below, **(Review transferred information for accuracy)**

Bank Information

Name of Financial Institution (optional) _____

Check the appropriate box

☐ Checking

☐ Savings

Routing number _____

Account number _____

Payment Information

Enter the payment date to withdraw tax payment _____

Balance due amount from this return _____

Enter an amount to withdraw tax payment _____

If partial payment is made, the remaining balance due _____

Part VIII – Information for Client Letter

	Form 990-EZ or Form 990	Form 990-PF	Form 990-T
Extended Due Date	_____	_____	_____

Letter Salutation _____

Part IX – Return Preparer

Enter preparer code from Firm/Preparer Info (See Help) _____

QuickZoom to Firm/Preparer Info

QuickZoom to Form 990-EZ, Pages 1 through 4

QuickZoom to Form 990, Page 1

QuickZoom to Form 990-PF, Page 1

QuickZoom to Form 990-T, Page 1

QuickZoom to Form 990-N, e-PostCard

Form **990-W**

OMB No 1545-0976

(Worksheet)

Department of the Treasury
Internal Revenue Service**Estimated Tax on Unrelated Business Taxable
Income for Tax-Exempt Organizations**
(and on Investment Income for Private Foundations)

(Keep for your records. Do not send to the Internal Revenue Service.)

2011

1	Unrelated business taxable income expected in the tax year	1	
2	Tax on the amount on line 1. See instructions for tax computation	2	
3	Alternative minimum tax (see instructions)	3	
4	Total Add lines 2 and 3	4	
5	Estimated tax credits (see instructions)	5	
6	Subtract line 5 from line 4	6	
7	Other taxes (see instructions)	7	
8	Total Add lines 6 and 7	8	
9	Credit for federal tax paid on fuels (see instructions)	9	
10a	Subtract line 9 from line 8 Note. If less than \$500, the organization is not required to make estimated tax payments. Private foundations, see instructions	10a	465.
b	Enter the tax shown on the 2010 return (see instructions) Caution. If zero or the tax year was for less than 12 months, skip this line and enter the amount from line 10a on line 10c	10b	465.
c	2011 Estimated Tax. Enter the smaller of line 10a or line 10b. If the organization is required to skip line 10b, enter the amount from line 10a on line 10c	10c	465.

	(a)	(b)	(c)	(d)
11 Installment due dates (see instructions)	11 05/16/11	06/15/11	09/15/11	12/15/11
12 Required installments. Enter 25% of line 10c in columns (a) through (d) unless the organization uses the annualized income installment method, the adjusted seasonal installment method, or is a 'large organization' (see instructions)	12 117.	117.	117.	117.
13 2010 Overpayment. (see instructions)	13			
14 Payment due. (Subtract line 13 from line 12)	14 117.	117.	117.	117.

BAA For Paperwork Reduction Act Notice, see separate instructions.

Form 990-W (2011)

Form 990-PF, Page 1, Part I, Line 18

Line 18 Stmt

Taxes (see the instructions)	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
Federal Tax				
NY State Filing Fee	250.			
Foreign Tax Withheld	1,294.			
Total	<u>1,544.</u>			

Form 990-PF, Page 1, Part I, Line 23

Line 23 Stmt

Other expenses:	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
Investment Expense	3,820.	3,820.		
Insurance	725.	725.		
Program Expense	969.	969.		969.
Office General	3,432.	1,329.		2,103.
Dues	495.	200.		295.
Supplies	494.	250.		244.
Equipment Rental	453.	150.		303.
Equipment	1,914.	1,204.		710.
Total	<u>12,302.</u>	<u>8,647.</u>		<u>4,624.</u>

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income

Columns (a) thru (d)

(a) List and describe the kind(s) of property sold (e g., real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company)	(b) How acquired P-Purchase D-Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1000 shs CVS Caremark Corp	P	09/19/07	02/16/10
1000 shs Emerson Electric	P	10/26/92	08/31/10
500 shs Exxon Mobil	P	03/08/93	06/22/10
1000 shs General Electric	P	01/01/78	06/22/10
1000 shs Nestle SA	P	08/22/02	08/31/10
500 shs Proctor & Gamble	P	07/03/00	06/22/10
2000 shs US Bancorp	P	09/19/07	02/16/10
500 shs United Technologies	P	06/19/08	08/31/10
1000 shs Zimmer Holdings	P	09/19/07	02/16/10
1000 shs Reckitt Benckiser Grp	P	12/29/99	08/31/10
400 shs Anadarko Pete Corp	P	10/16/09	01/19/10
800 shs CVS Caremark Corp	P	04/08/10	06/14/10
300 shs China Life Ins ADR	P	10/16/09	01/25/10
1000 shs Crown Holdings Inc	P	06/24/10	11/26/10
653.018 shs Fidelity Select Energy	P	05/12/10	08/16/10
300 shs General Dynamics Crp	P	06/24/10	07/13/10
2000 shs Hudson City Bancorp	P	04/28/10	05/12/10
1200 shs Ishs Russell Midcap Growth	P	10/16/09	08/16/10
600 shs Ishs DJ Us Technology	P	10/16/09	08/16/10
500 shs Ishs S&P Small cap 600 Indx	P	10/16/09	01/20/10
2000 shs Nexen Inc	P	01/28/10	06/14/10
2000 shs Pfizer Inc	P	10/16/09	03/16/10
3000 shs Pimco Corp Opportunity Fd	P	06/21/10	12/13/10
250 shs Potash Corp Sask.	P	10/16/09	06/24/10
1000 shs Spdr S&P Dividend Fd	P	10/21/10	12/06/10

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income

Continued

Columns (a) thru (d)

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)	(b) How acquired P-Purchase D-Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
300 shs Telefonica SA ADR	P	10/16/09	03/15/10
500 shs Teva Pharmaceutical Indus	P	01/28/10	08/17/10
2000 shs Turkcell Iletisim Hizmet	P	11/26/10	12/07/10
3000 shs US Bancorp Del Dep shs	P	01/25/10	06/21/10
400 shs Vanguard Materials Inedx Fd	P	10/16/09	06/14/10
800 shs Vanguard Intl Equity Indx Fd	P	03/10/10	05/12/10

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income

Columns (e) thru (h)

(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)
33,123.		38,628.	-5,505.
46,032.		12,895.	33,137.
31,130.		7,948.	23,182.
15,685.		5,035.	10,650.
50,947.		21,966.	28,981.
30,368.		13,872.	16,496.
47,146.		68,247.	-21,101.
32,130.		34,724.	-2,594.
57,756.		84,115.	-26,359.
49,325.		10,264.	39,061.
26,596.		26,762.	-166.
25,545.		29,278.	-3,733.
20,228.		20,781.	-553.
31,162.		31,789.	-627.
26,049.		30,059.	-4,010.
18,086.		19,243.	-1,157.
26,100.		26,798.	-698.
54,428.		55,826.	-1,398.
31,965.		31,722.	243.
28,217.		26,901.	1,316.
44,216.		43,548.	668.
34,254.		35,506.	-1,252.
48,392.		50,442.	-2,050.
24,114.		24,235.	-121.
51,235.		51,958.	-723.
21,596.		25,260.	-3,664.
34,455.		34,968.	-513.
60,647.		63,365.	-2,718.
25,802.		26,421.	-619.
35,546.		38,060.	-2,514.
Total		990,616.	71,659.

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income

Columns (i) thru (l)

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

(l) Gains (column (h) gain minus column (k), but not less than -0-) or losses (from column (h))

(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
			-5,505.
			33,137.
			23,182.
			10,650.
			28,981.
			16,496.
			-21,101.
			-2,594.
			-26,359.
			39,061.
			-166.
			-3,733.
			-553.
			-627.
			-4,010.
			-1,157.
			-698.
			-1,398.
			243.
			1,316.
			668.
			-1,252.
			-2,050.
			-121.
			-723.
			-3,664.
			-513.
			-2,718.
			-619.
			-2,514.
Total			<u>71,659.</u>

Form 990-PF, Page 4, Part VII-A, Line 8a

States Registered In

NY - New York

NC - North Carolina

Form 990-PF, Page 2, Part II, Line 10b

L-10b Stmt

Line 10b - Investments - Corporate Stock:	End of Year	
	Book Value	Fair Market Value
500 Chesapeake Energy Corp Pfd	41,816.	43,975.
500 Genesee and Wyoming	24,947.	26,475.
250 Marathon Oil	32,545.	37,030.

Form 990-PF, Page 2, Part II, Line 10b

Continued

L-10b Stmt

Line 10b - Investments - Corporate Stock:	End of Year	
	Book Value	Fair Market Value
800 Clorox Co	10,116.	40,508.
2000 Johnson & Johnson	52,606.	71,094.
2000 Microsoft Corp	55,754.	55,820.
3000 Berkshire Hathaway B	120,789.	240,330.
3000 Altria Group Inc	66,030.	73,860.
2000 Emerson Electric Co	29,853.	114,340.
1000 Exxon Mobil	15,895.	73,120.
3000 General Electric	49,820.	54,870.
2000 Lowes Copanies	58,581.	50,160.
2000 Nestle SA	43,932.	117,476.
1500 Procter & Gamble	41,615.	96,495.
1000 United Technologies	69,447.	78,720.
1000 Reckitt Benckiser Group	11,706.	55,200.
Total	<u>725,452.</u>	<u>1,229,473.</u>

Form 990-PF, Page 2, Part II, Line 13

L-13 Stmt

Line 13 - Investments - Other:	End of Year	
	Book Value	Fair Market Value
1000 El Paso Pipeline Partnership	21,819.	33,450.
400 IShares MSCI Brazil Index	30,135.	30,960.
1000 IShares MSCI Canada Idx	26,267.	31,000.
1000 IShares MSCI Pacific EX Japan Idx	40,345.	46,980.
3000 IShares MSCI Malayasia Idx	32,580.	43,140.
500 IShares Tr S&P 500 Idx	54,714.	63,125.
800 IShares Tr S&P Latin Amer 40 Idx	42,013.	43,088.
500 IShares Tr DJ US Healthcare	32,039.	32,685.
1000 IShares S&P Small Cap Index	60,856.	68,470.
1000 JPMorgan Chase Alerian MLP Idx	33,008.	36,350.
700 Market Vectors ETF Gold Miners	44,471.	43,029.
3000 PowerShares Finl Pfd	52,979.	52,830.
1000 PowerShares ETF Dynamic Indls	28,936.	29,350.
1000 Spdr Ser Tr DJ Wilshire REIT ETF	55,290.	61,020.
1000 Select Spdr Cons Discretionary	28,138.	37,410.
2000 Vanguard Div Apprec Idx Vipers	98,795.	105,260.
1200 Vanguard Emerging markets Vipers	49,443.	57,775.
1000 Vanguard Pacific Vipers Idx	50,582.	57,040.
600 Vanguard European Vipers Idx	26,365.	29,254.
700 Vanguard Midcap Idx	43,202.	52,122.
1000 Vanguard Large Cap Vipers	53,805.	57,610.
Total	<u>905,782.</u>	<u>1,011,948.</u>

Form 990W-990PF: Estimated Tax on Unrelated Business Taxable Income

Form 990-W for 990-PF Additional Information Smart Worksheet

Note: This copy is for use in preparing Estimated Tax for **Form 990-PF only**.

Estimated Tax Options

- A** Check to suspend estimated tax calculations ☐
- B** Check here if the organization is a large organization ☐
- C** Choose an installment rounding factor (the program defaults to the next dollar):
Round up to next \$10 ☐ Round up to next \$100 ☐
- D** Enter the private foundation's net investment income for next year (instead of using current year amounts) _____

Current Year Overpayment Options

- E** Amount of overpayment available (Form 990-T, page 2, Part IV, line 48 or Form 990-PF, page 4, Part VI, line 10) ▶ 1,698.
- F** Check to apply overpayment available on line E and refund the excess, if any, ☐
OR enter overpayment to apply ▶ _____
- G** Check to apply consecutively to all installments ☐
- H** Check to apply evenly to all installments ☐
- I** Check to apply to first installment only ☐

PART. XX

2010 Grants Midgard Foundation1 - Last year

1/1/2010 through 12/31/2010

6/22/2011

Page 1

Description	Amount
Appalachian Sustainable Agriculture Project	-100.00
Arts For Life	-250.00
Asheville Art Museum	-71,110.00
Asheville Green Works	-100.00
Asheville Humane Society	-11,350.00
Black Mountain College Museum & Arts Ctr	-100.00
Child & Family Agency of SE CT	-200.00
Council On Aging Of Buncombe County	-500.00
Fine Arts League of the Carolinas	-800.00
First Congregational Church of Old Lyme	-3,500.00
Florence Griswold Museum	-450.00
Hanger Hall	-1,000.00
Helpmate, Inc	-1,500.00
Lyme Academy College of Fine Arts	-200.00
Lymes' Youth Service Bureau	-100.00
North Carolina Museum Of Art Foundation	-500.00
Old Lyme Childrens Learning Center	-100.00
Old Lyme Conservation Trust	-200.00
Old Lyme Phoebe Griffin Noyes Library	-500.00
Penland School Of Crafts	-500.00
Pisgah Legal Services	-1,250.00
PMC JIMMY FUND	-750.00
Prostate Cancer Research Institute	-250.00
River Link	-250.00
The Asheville School	-3,500.00
The Health Adventure	-5,000.00
The Hope Chest	-250.00
The Preservation Society of A and B	-250.00
UNCA Foundation	-25,000.00
United Way of Asheville & Buncombe County	-2,000.00
University of Michigan	-250.00
WCQS Public Radio	-2,000.00
YMI Cultural Center	-200.00
Youth OUTright	-1,000.00
OVERALL TOTAL	-135,010.00