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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

2010

For calendar year 2010, or tax year beginning 01-01-2010 , and ending 12-31-2010

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
TOWN FOUNDATION

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

Room/suite

City or town, state, and ZIP code
NORFOLK, VA 23507

A Employer identification number

54-1442707

B Telephone number (see page 10 of the instructions)

(757) 625-7849

C If exemption application is pending, check here

☐

D 1. Foreign organizations, check here

☐

2. Foreign organizations meeting the 85% test, check here and attach computation

☐

E If private foundation status was terminated under section 507(b)(1)(A), check here

☐

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here

☐

H Check type of organization

☒ 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)

\$ 1,600,561

J Accounting method

☐ Cash

☒ Accrual

☐ Other (specify) _____
(Part I, column (d) must be on cash basis.)

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)				
	2 Check ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	651	651		
	4 Dividends and interest from securities.	38,819	38,819		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	245,933			
	b Gross sales price for all assets on line 6a 1,261,252				
	7 Capital gain net income (from Part IV , line 2)		245,933		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
Operating and Administrative Expenses	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)				
	12 Total. Add lines 1 through 11	285,403	285,403		
	13 Compensation of officers, directors, trustees, etc				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule).				
	b Accounting fees (attach schedule).	3,300	1,650		1,650
	c Other professional fees (attach schedule)	6,621	6,621		
	17 Interest	16	8		8
	18 Taxes (attach schedule) (see page 14 of the instructions)	2,762			
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings	1,119	560		559
	22 Printing and publications				
	23 Other expenses (attach schedule).	726	364		362
	24 Total operating and administrative expenses.				
	Add lines 13 through 23	14,544	9,203		2,579
	25 Contributions, gifts, grants paid	82,500			82,500
	26 Total expenses and disbursements. Add lines 24 and 25	97,044	9,203		85,079
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	188,359			
	b Net investment income (if negative, enter -0-)		276,200		
	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
Assets	1	Cash—non-interest-bearing	3,197	81,498	81,498
	2	Savings and temporary cash investments			
	3	Accounts receivable ▶ _____ Less allowance for doubtful accounts ▶ _____			
	4	Pledges receivable ▶ _____ Less allowance for doubtful accounts ▶ _____			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7	Other notes and loans receivable (attach schedule) ▶ _____ Less allowance for doubtful accounts ▶ _____			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges	601		
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)	1,497,825	1,519,063	1,519,063
	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)			
	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 the instructions Also, see page 1, item I)	1,501,623	1,600,561	1,600,561	
Liabilities	17	Accounts payable and accrued expenses		2,161	
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶ _____)			
	23	Total liabilities (add lines 17 through 22)		2,161	
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	1,501,623	1,598,400	
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☐ and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	Total net assets or fund balances (see page 17 of the instructions)	1,501,623	1,598,400	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	1,501,623	1,600,561	

Part III Analysis of Changes in Net Assets or Fund Balances		
1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year’s return)	1 1,501,623
2	Enter amount from Part I, line 27a	2 188,359
3	Other increases not included in line 2 (itemize) ▶ _____	3
4	Add lines 1, 2, and 3	4 1,689,982
5	Decreases not included in line 2 (itemize) ▶ _____	5 91,582
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6 1,598,400

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	See Additional Data Table			
b				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	See Additional Data Table		
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	See Additional Data Table		
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	245,933
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	190,391

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))
2009	79,558	1,307,586	0 060843
2008	76,265	1,418,966	0 053747
2007	70,908	1,636,949	0 043317
2006	75,038	1,520,520	0 049350
2005	67,292	1,462,618	0 046008

2	Total of line 1, column (d).	2	0 253265
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 050653
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5.	4	1,513,747
5	Multiply line 4 by line 3.	5	76,676
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	2,762
7	Add lines 5 and 6.	7	79,438
8	Enter qualifying distributions from Part XII, line 4.	8	85,079

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

Part VIExcise 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	
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-)	
3		Add lines 1 and 2.	
4		Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	
5		Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-	
6		Credits/Payments	
a		2010 estimated tax payments and 2009 overpayment credited to 2010	6a601
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.	
8		Enter any penalty for underpayment of estimated tax Check here ☐ if Form 2220 is attached	
9		Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	
10		Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid.	
11		Enter the amount of line 10 to be Credited to 2011 estimated tax 0	Refunded

Part VII-AStatements Regarding Activities					
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	Yes	No
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		No
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		No
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?	2		No
If "Yes," attach a detailed description of the activities.					
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		No
4a		Did the foundation have unrelated business gross income of \$1,000 or more during the year?.	4a		No
b		If "Yes," has it filed a tax return on Form 990-T for this year?.	4b		
5		Was there a liquidation, termination, dissolution, or substantial contraction during the year?	5		No
If "Yes," attach the statement required by General Instruction T.					
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	Yes	
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	Yes	
8a		Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) VA			
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	Yes	
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 on page 27)? If "Yes," complete Part XIV	9		No
10		Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		No

Part VII-A

Statements Regarding Activities *(continued)*

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions).	11		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address N/A	13	Yes	
14	The books are in care of CHARLES T SAUNDERS CPA Telephone no (757) 625-7849 Located at PO BOX 1037 NORFOLK VA ZIP+4 23501			
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.			
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?	15		
See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes", enter the name of the foreign country.				

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? (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? (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)? (6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days).	☐ Yes ☒ No		
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here.		1b	
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	
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? If "Yes," list the years 20 , 20 , 20 , 20	☐ Yes ☒ No		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 20 of the instructions).		2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here 20 , 20 , 20 , 20			
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	No
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	No

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		
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?				
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?				
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		6b		No
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?				
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 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
See Additional Data Table				
2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."				
(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				
Total number of other employees paid over \$50,000.				

Part VIII

Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE".		
(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services.		

Part IX-A

Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1	
2	
3	
4	

Part IX-B

Summary of Program-Related Investments (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments. See page 24 of the instructions	
3	
Total. Add lines 1 through 3.	

Part X

Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities.	1a	1,401,165
b	Average of monthly cash balances.	1b	135,058
c	Fair market value of all other assets (see page 24 of the instructions).	1c	576
d	Total (add lines 1a, b, and c).	1d	1,536,799
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	1e	
2	Acquisition indebtedness applicable to line 1 assets.	2	
3	Subtract line 2 from line 1d.	3	1,536,799
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions).	4	23,052
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	1,513,747
6	Minimum investment return. Enter 5% of line 5.	6	75,687

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	75,687
2a	Tax on investment income for 2010 from Part VI, line 5.	2a	2,762
b	Income tax for 2010 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	2,762
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	72,925
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	72,925
6	Deduction from distributable amount (see page 25 of the instructions).	6	
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1.	7	72,925

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	85,079
b	Program-related investments—total from Part IX-B.	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes.	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required).	3a	
b	Cash distribution test (attach the required schedule).	3b	
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	85,079
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	2,762
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	82,317
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 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				72,925
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only.				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2010				
a From 2005.				
b From 2006.				
c From 2007.				
d From 2008.				7,747
e From 2009.				14,837
f Total of lines 3a through e.	22,584			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 85,079				
a Applied to 2009, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions). . .				
d Applied to 2010 distributable amount.				72,925
e Remaining amount distributed out of corpus	12,154			
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	34,738			
b Prior years' undistributed income Subtract line 4b from line 2b.				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.				
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions . . .				
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
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 page 27 of the instructions).				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions).				
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a.	34,738			
10 Analysis of line 9				
a Excess from 2006.				
b Excess from 2007.				
c Excess from 2008.				7,747
d Excess from 2009.				14,837
e Excess from 2010.				12,154

Part XIVPrivate 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 2010, enter the date of the ruling.

b

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

☐ 4942(j)(3) or ☐ 4942(j)(5)

2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	Tax year	Prior 3 years			(e) Total
		(a) 2010	(b) 2009	(c) 2008	(d) 2007	
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 XVSupplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year—see page 27 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))

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

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

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

Form 990-PF (2010)

Part XV **Supplementary Information** (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i> NORFOLK STATE UNIVERSITY 700 PARK AVENUE NORFOLK, VA 23504	NONE	PUBLIC	SCHOLARSHIPS	11,000
OLD DOMINION UNIVERSITY 5115 HAMPTON BLVD NORFOLK, VA 23509	NONE	PUBLIC	SCHOLARSHIPS	24,500
JAMES MADISON UNIVERSITY 800 S MAIN STREET HARRISONBURG, VA 22807	NONE	PUBLIC	SCHOLARSHIPS	43,000
TIDEWATER COMMUNITY COL 300 GRANBY STREET NORFOLK, VA 23510	NONE	PUBLIC	PROGRAM EXPENSES	4,000
Total			 3a	82,500
b <i>Approved for future payment</i>				
Total			 3b	

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
f _____					
g Fees and contracts from government agencies					
2 Membership dues and assessments.					
3 Interest on savings and temporary cash investments			14	651	
4 Dividends and interest from securities.			14	38,819	
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			14	245,933	
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).				285,403	
13 Total. Add line 12, columns (b), (d), and (e).			13		285,403

[illegible]

Part XVII

Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

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)

No

2

Other assets.

1a(2)

No

b

Other transactions

1

Sales of assets to a noncharitable exempt organization.

1b(1)

No

2

Purchases of assets from a noncharitable exempt organization.

1b(2)

No

3

Rental of facilities, equipment, or other assets.

1b(3)

No

4

Reimbursement arrangements.

1b(4)

No

5

Loans or loan guarantees.

1b(5)

No

6

Performance of services or membership or fundraising solicitations.

1b(6)

No

c

Sharing of facilities, equipment, mailing lists, other assets, or paid employees.

1c

No

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

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
--------------------------	--------------------------	---------------------------------

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.

Signature of officer or trustee

2011-02-08

Date

Title

Paid Preparer's Use Only

Preparer's Signature

2011-04-28

Date

Check if self-employed

☒

PTIN

Firm's name

SAUNDERS AND MATTHEWS PLLC

Firm's EIN

Firm's address

327 WEST 21ST STREET SUITE 203

Phone no

NORFOLK, VA 23517

Form 990-PF (2010)

Additional Data

Software ID:
Software Version:
EIN: 54-1442707
Name: TOWN FOUNDATION

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
A	2,500 SH ALCOA	P	2009-07-06	2010-03-11
B	100 SH ALCOA	P	2008-10-13	2010-03-11
C	2,000 SH NOKIA	P	2004-08-17	2010-03-11
D	1,000 SH ANADARKO PETROLEUM	P	2009-03-16	2010-03-11
E	600 SH AMGEN	P	2004-03-31	2010-03-11
F	1,000 SH NOLIA	P	2008-10-13	2010-03-11
G	1,907 SH BANK OF AMERICA	P	2009-11-10	2010-03-11
H	300 SH AMGEN	P	2008-10-13	2010-03-11
I	9,200 SH SIRIUS XM	P	2006-03-29	2010-03-11
J	4,000 SH D R HORTON	P	2009-07-06	2010-03-11
K	15 304 SH BANK OF AMERICA	P	2007-10-30	2010-03-11
L	1,000 SH TEXAS INSTRUMENTS	P	2008-11-25	2010-03-11
M	700 SH HEWLETT PACKARD	P	2009-03-16	2010-03-11
N	348 895 SH BANK OF AMERICA	P	2007-10-30	2010-03-11
O	2,000 SH ALLIANZE SE 8 375%	P	2008-06-04	2010-03-11
P	2,000 SH NOLIA	P	1990-09-11	1987-02-08
Q	728 80 SH BANK OF AMERICA	P	2008-01-10	2010-03-11
R	2,000 SH BANK OF AMERICA 8 2%	P	2008-05-22	2010-03-11
S	2,000 SH TEXAS INDUSTRIES	P	2009-03-16	2010-03-11
T	900 SH BEST BUY	P	2004-03-31	2010-03-11
U	100 SH ING GROUP NV	P	2008-06-11	2010-03-11
V	1,200 SH US STEEL	P	2009-11-10	2010-03-11
W	600 SH BEST BUY	P	2004-08-17	2010-03-11
X	200 SH ING GROUP NV	P	2008-06-11	2010-03-11
Y	400 SH ISHARES FTSE	P	2009-03-16	2010-03-11
Z	1,000 SH CISCO	P	2004-08-17	2010-03-11
AA	200 SH ING GROUP NV	P	2008-06-11	2010-03-11
AB	300 SH ISHARES MSCI BRAZIL	P	2009-03-16	2010-03-11
AC	500 SH CISCO	P	2005-04-25	2010-03-11
AD	500 SH ING GROUP NV	P	2008-06-11	2010-03-11

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
AE	700 SH ISHARES MSCI SWEDEN	P	2009-03-16	2010-03-11
AF	3,000 SH D R HORTON	P	2007-10-30	2010-03-11
AG	500 SH ING GROUP NV	P	2008-06-11	2010-03-11
AH	400 SH MORGAN STANLEY CHINA	P	2009-03-16	2010-03-11
AI	3,000 SH EMC CORP	P	2004-08-17	2010-03-11
AJ	500 SH ING GROUP NV	P	2008-06-11	2010-03-11
AK	80 SH MORGAN STANLEY CHINA	P	2009-06-29	2010-03-11
AL	700 SH HEWLETT PACKARD	P	2004-08-17	2010-03-11
AM	1,5400 SH RESEARCH IN MOTION	P	2008-10-13	2010-03-11
AN	20 SH MORGAN STANLEY CHINA	P	2009-06-30	2010-03-11
AO	1,200 SH INTEL	P	2004-08-17	2010-03-11
AP	1,000 SH SCHLUMBERGER LTD	P	2009-03-16	2010-03-11
AQ	2,400 SH ALCOA	P	2008-10-13	2010-03-11
AR	700 SH INTEL	P	2006-03-29	2010-03-11

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - 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)
A	33,872		23,009	10,863
B	1,355		1,247	108
C	28,878		23,350	5,528
D	71,044		37,629	33,415
E	34,466		35,032	-566
F	14,439		16,207	-1,768
G	32,759		30,273	2,486
H	17,233		15,039	2,194
I	8,615		42,919	-34,304
J	51,716		35,049	16,667
K	263		1,358	-1,095
L	38,238		25,269	12,969
M	36,243		20,309	15,934
N	5,993		30,973	-24,980
O	51,594		50,025	1,569
P	28,878		29,727	-849
Q	12,519		30,450	-17,931
R	50,841		50,025	816
S	76,476		36,272	40,204
T	35,015		30,990	4,025
U	2,365		2,501	-136
V	71,178		45,260	25,918
W	23,344		19,490	3,854
X	4,724		5,003	-279
Y	16,447		11,057	5,390
Z	25,846		18,443	7,403
AA	4,734		5,003	-269
AB	22,053		11,067	10,986
AC	12,923		8,745	4,178
AD	11,820		12,506	-686

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - 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)
A E	17,733		10,012	7,721
A F	38,787		39,625	-838
A G	11,815		12,506	-691
A H	10,988		11,205	-217
A I	55,794		29,707	26,087
A J	11,835		12,506	-671
A K	2,198		2,532	-334
A L	36,243		11,868	24,375
A M	112,838		69,186	43,652
A N	549		630	-81
A O	25,364		26,023	-659
A P	63,924		41,636	22,288
A Q	32,517		29,912	2,605
A R	14,796		13,744	1,052

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - I

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(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	
A				10,863
B				108
C				5,528
D				33,415
E				-566
F				-1,768
G				2,486
H				2,194
I				-34,304
J				16,667
K				-1,095
L				12,969
M				15,934
N				-24,980
O				1,569
P				-849
Q				-17,931
R				816
S				40,204
T				4,025
U				-136
V				25,918
W				3,854
X				-279
Y				5,390
Z				7,403
AA				-269
AB				10,986
AC				4,178
AD				-686

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(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	
A E				7,721
A F				-838
A G				-691
A H				-217
A I				26,087
A J				-671
A K				-334
A L				24,375
A M				43,652
A N				-81
A O				-659
A P				22,288
A Q				2,605
A R				1,052

Form 990PF Part VIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
WILSON B DODSON 	DIRECTOR 1 00	0	0	0
935 GRAYDON AVENUE NORFOLK, VA 23507				
CHARLES M GOLDMAN 	PRESIDENT 2 00	0	0	0
256 WOCEAN VIEW AVENUE NORFOLK, VA 23503				
JORDAN S LEVITIN 	SECRETARY 2 00	0	0	0
1321 NOBLE STREET NORFOLK, VA 23518				
DR BRUCE LONGMAN 	TREASURER 2 00	0	0	0
5220 ROLLESTON DR VIRGINIA BEACH, VA 23464				
GARY L RUEGSEGGER 	VICE PRESIDE 1 00	0	0	0
5305 NORTH POINT COURT VIRGINIA BEACH, VA 23455				
HOWARD E GORDON 	DIRECTOR 2 00	0	0	0
PO BOX 3460 NORFOLK, VA 23514				
SAMUEL I WHITE 	DIRECTOR 1 00	0	0	0
209 BUSINESS PARK DR VIRGINIA BEACH, VA 23462				
YVONNE T ALLMOND 	DIRECTOR 1 00	0	0	0
109 EAST MAIN STREET NORFOLK, VA 23510				

TY 2010 Accounting Fees Schedule

Name: TOWN FOUNDATION

EIN: 54-1442707

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING	3,300	1,650		1,650

TY 2010 Compensation Explanation**Name:** TOWN FOUNDATION**EIN:** 54-1442707

Person Name	Explanation
WILSON B DODSON	
CHARLES M GOLDMAN	
JORDAN S LEVITIN	
DR BRUCE LONGMAN	
GARY L RUEGSEGGER	
HOWARD E GORDON	
SAMUEL I WHITE	
YVONNE T ALLMOND	

**TY 2010 Investments Corporate
Stock Schedule**

Name: TOWN FOUNDATION
EIN: 54-1442707

Name of Stock	End of Year Book Value	End of Year Fair Market Value
CHARLES SCHWAB INVESTMENT ACCOUNT	1,519,063	1,519,063

TY 2010 Other Decreases Schedule

Name: TOWN FOUNDATION

EIN: 54-1442707

Description	Amount
UNREALIZED LOSS ON INVESTMENTS	91,582

TY 2010 Other Expenses Schedule**Name:** TOWN FOUNDATION**EIN:** 54-1442707

Description	Revenue and Expenses per Books	Net Invest ment Income	Adjusted Net Income	Disbursements for Charitable Purposes
EXPENSES				
OFFICE SUPPLIES	121	61		60
STORAGE RENTAL	605	303		302

TY 2010 Other Professional Fees Schedule**Name:** TOWN FOUNDATION**EIN:** 54-1442707

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
INVESTMENT FEES	6,621	6,621		

TY 2010 Taxes Schedule

Name: TOWN FOUNDATION

EIN: 54-1442707

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FEDERAL EXCISE TAX	2,762			