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Form 990-PF

Department of the Treasury  
Internal Revenue ServiceReturn of Private Foundation  
or Section 4947(a)(1) Nonexempt Charitable Trust  
Treated as a Private Foundation

OMB No 1545-0052

2010

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 , 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

A Employer identification number  
**56-0630681****KEMP FOUNDATION INCORPORATED**B Telephone number (see page 10 of the instructions)  
**919-734-2779**

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

Room/suite

**102 NORTH ANDREWS AVENUE**

City or town, state, and ZIP code

**NC 27530**H Check type of organization  Section 501(c)(3) exempt private foundationC If exemption application is pending, check here ►   
D 1. Foreign organizations, check here ►  Section 4947(a)(1) nonexempt charitable trust  Other taxable private foundation2. Foreign organizations meeting the 85% test, check here and attach computation ► I Fair market value of all assets at J Accounting method  Cash  Accrual  
end of year (from Part II, col (c),  Other (specify)  
line 16) ► \$ **310,686** (Part I, column (d) must be on cash basis )E If private foundation status was terminated under section 507(b)(1)(A), check here ► F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► 

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions) )		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc , received (attach schedule)	Revenue				
2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		<b>14,520</b>	<b>14,520</b>	<b>0</b>	
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		<b>-8,232</b>			
b Gross sales pnce for all assets on line 6a		<b>92,348</b>			
7 Capital gain net income (from Part IV, line 2)			<b>0</b>		
8 Net short-term capital gain				<b>0</b>	
9 Income modifications					
10a Gross sales less returns & allowances					
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11		<b>6,288</b>	<b>14,520</b>	<b>0</b>	
13 Compensation of officers, directors, trustees, etc	Operating and Administrative Expenses	<b>0</b>			
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees (attach schedule)					
b Accounting fees (attach schedule)		<b>802</b>	<b>802</b>		
c Other professional fees (attach schedule)		<b>1,701</b>	<b>1,701</b>	<b>MAY</b>	<b>1/31</b>
17 Interest					
18 Taxes (attach schedule) (see page 14 of the instructions)					
19 Depreciation (attach schedule) and depletion					
20 Occupancy					
21 Travel, conferences, and meetings		<b>483</b>			
22 Printing and publications					
23 Other expenses (att sch)		<b>287</b>	<b>245</b>		
24 Total operating and administrative expenses.					
Add lines 13 through 23		<b>3,273</b>	<b>2,748</b>	<b>0</b>	<b>0</b>
25 Contributions, gifts, grants paid		<b>27,387</b>			<b>27,387</b>
26 Total expenses and disbursements. Add lines 24 and 25		<b>30,660</b>	<b>2,748</b>	<b>0</b>	<b>27,387</b>
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements		<b>-24,372</b>			
b Net investment income (if negative, enter -0-)			<b>11,772</b>		
c Adjusted net income (if negative, enter -0-)				<b>0</b>	

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing	8,885	13,364	
	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 (att schedule) ►			
		Less. allowance for doubtful accounts ►			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U.S. and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)	294,267	265,416	310,686
	c	Investments—corporate bonds (attach schedule)			
Liabilities	11	Investments—land, buildings, and equipment basis ►			
		Less accumulated depreciation (attach sch) ►			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)			
	14	Land, buildings, and equipment basis ►			
		Less accumulated depreciation (attach sch) ►			
	15	Other assets (describe ►)			
	16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	303,152	278,780	310,686
Net Assets or Fund Balances	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ►) SEE STATEMENT 5	52	52	
	23	Total liabilities (add lines 17 through 22)	52	52	
		Foundations that follow SFAS 117, check here ► <input type="checkbox"/>			
		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 ► <input checked="" type="checkbox"/>			
		and complete lines 27 through 31.			
Net Assets or Fund Balances	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	303,100	278,728	
	30	Total net assets or fund balances (see page 17 of the instructions)	303,100	278,728	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	303,152	278,780	

## 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	303,100
2	Enter amount from Part I, line 27a	2	-24,372
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	278,728
5	Decreases not included in line 2 (itemize) ►	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	278,728

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## 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 WORKSHEET					
b					
c					
d					
e					
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)		
a					
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(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					
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	-8,232	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8		3		

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

 Yes  No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009	24,888	275,214	0.090431
2008	26,340	369,165	0.071350
2007	27,506	470,648	0.058443
2006	21,055	465,819	0.045200
2005	22,200	458,017	0.048470

2 Total of line 1, column (d)

2 0.313894

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 0.062779

4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5

4 315,272

5 Multiply line 4 by line 3

5 19,792

6 Enter 1% of net investment income (1% of Part I, line 27b)

6 118

7 Add lines 5 and 6

7 19,910

8 Enter qualifying distributions from Part XII, line 4

8 27,387

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here ►  and enter "N/A" on line 1.  
 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)

1b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ►  and enter 1% of Part I, line 27b

1c 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

6a 2010 estimated tax payments and 2009 overpayment credited to 2010

6b Exempt foreign organizations—tax withheld at source

6c Tax paid with application for extension of time to file (Form 8868)

6d Backup withholding erroneously withheld

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 ► Refunded ►

1	118
2	0
3	118
4	0
5	118
6a	
6b	
6c	118
6d	
7	118
8	
9	
10	
11	

**Part VII-A Statements 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?

1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?  
 If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities

1c Did the foundation file Form 1120-POL for this year?

1d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year.  
 (1) On the foundation ► \$ \_\_\_\_\_ (2) On foundation managers ► \$ \_\_\_\_\_

1e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ \_\_\_\_\_

2 Has the foundation engaged in any activities that have not previously been reported to the IRS?  
 If "Yes," attach a detailed description of the activities

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

4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?

4b If "Yes," has it filed a tax return on Form 990-T for this year?

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?  
 If "Yes," attach the statement required by General Instruction T

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?

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

8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ► **NONE**

8b 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

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

10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses

	Yes	No
1a		X
1b		X
1c		X
2		X
3		X
4a		X
4b		
5		X
6	X	
7	X	
8b	X	
9		X
10		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 page 20 of the instructions) 11  X

12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? 12  X

13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► **N/A** 13  X

14 The books are in care of ► **MRS. BETTY KEMP**  
**102 N ANDREWS AVE.**

Telephone no ► **919-734-2779**Located at ► **GOLDSBORO**

NC

ZIP+4 ► **27532**

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

► **15**► 

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 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 ►

16	Yes	No
	<input type="checkbox"/>	<input type="checkbox"/>

## 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.

1a During the year did the foundation (either directly or indirectly)

- (1) Engage in the sale or exchange, or leasing of property with a disqualified person?  Yes  No
- (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?  Yes  No
- (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?  Yes  No
- (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?  Yes  No
- (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?  Yes  No
- (6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)  Yes  No

b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here N/A ►

c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010? N/A

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 ► **20 20 20 20**

b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 22 of the instructions) N/A

c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► **20 20 20 20** N/A

3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?  Yes  No

b If "Yes," did it have excess business holdings in 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) N/A

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 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)? Organizations relying on a current notice regarding disaster assistance check here ►  N/A 5b

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

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

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If "Yes" to 6b, file Form 8870  Yes  No 6b N/A 7b

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

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

## 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
MRS. BETTY KEMP GOLDSBORO NC 27530	PRESIDENT 1.00	0	0	0
ELIZABETH NEESE GOLDSBORO NC 27530	VICE-PRESIDE 0.25	0	0	0
JAMES B NEESE GOLDSBORO NC 27530	DIRECTOR 0.25	0	0	0
SALLIE KEMP CANTERBURY CT 06331	TREASURER 0.25	0	0	0

2 Compensation of five highest-paid employees (other than those included on line 1 — see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000 ► 0

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**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
<b>NONE</b>		

Total number of others receiving over \$50,000 for professional services ►

**Part IX-A. Summary of Direct Charitable Activities**

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

Expenses

1 **N/A**

2

3

4

**Part IX-B. Summary of Program-Related Investments (see page 24 of the instructions)**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

Amount

1 **N/A**

2

All other program-related investments. See page 24 of the instructions

3

Total. Add lines 1 through 3 ►

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**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	308,948
b	Average of monthly cash balances	1b	11,125
c	Fair market value of all other assets (see page 25 of the instructions)	1c	0
d	<b>Total</b> (add lines 1a, b, and c)	1d	320,073
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	320,073
4	Cash deemed held for charitable activities Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	4,801
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3 Enter here and on Part V, line 4	5	315,272
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	15,764

**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	15,764
2a	Tax on investment income for 2010 from Part VI, line 5	2a	118
b	Income tax for 2010 (This does not include the tax from Part VI )	2b	
c	Add lines 2a and 2b	2c	118
3	Distrbutable amount before adjustments Subtract line 2c from line 1	3	15,646
4	Recoveries of amounts treated as qualifying distrbutions	4	
5	Add lines 3 and 4	5	15,646
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	15,646

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

1	Amounts paid (including administrative expenses) to accomplish chantable, etc , purposes		
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26	1a	27,387
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 chantable projects that satisfy the	3a	
a	Suitability test (prior IRS approval required)	3b	
b	Cash distrbution test (attach the required schedule)	4	27,387
4	<b>Qualifying distributions.</b> Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4		
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	118
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	27,269

**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				<b>15,646</b>
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				
e From 2009	<b>11,231</b>			
f Total of lines 3a through e	<b>11,231</b>			
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$ <b>27,387</b>				
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				<b>15,646</b>
e Remaining amount distributed out of corpus	<b>11,741</b>			
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:	<b>22,972</b>			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
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				<b>0</b>
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	<b>22,972</b>			
10 Analysis of line 9: a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009	<b>11,231</b>			
e Excess from 2010	<b>11,741</b>			

**Part XIV. Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)**

**1a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 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)

**Part XV. Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 of the instructions.)**

## 1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))

N/A

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

N/A

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

Check here ►  if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

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

MRS. BETTY KEMP 919-734-2779

102 N ANDREWS AVE. GOLDSBORO NC 27530

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

**NO SPECIFIC FORM REQUIRED**

**c Any submission deadlines**

## NO DEADLINES

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

## NO RESTRICTIONS

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year <b>SEE STATEMENT 6</b>				<b>27,387</b>
Total			► 3a	<b>27,387</b>
b Approved for future payment <b>N/A</b>				
Total			► 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Line	Description	Excluded business income	Excluded by section 312, 313, or 314	(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				
4	Dividends and interest from securities				
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				
9	Net income or (loss) from special events				
10	Gross profit or (loss) from sales of inventory				
11	Other revenue a				
b					
c					
d					
e					
12	Subtotal Add columns (b), (d), and (e)		0		6,288
13	Total. Add line 12, columns (b), (d), and (e)		13		6,288

(See worksheet in line 13 instructions on page 29 to verify calculations )

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

**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

(2) Other assets

b Other transactions

(1) Sales of assets to a noncharitable exempt organization

(2) Purchases of assets from a noncharitable exempt organization

(3) Rental of facilities, equipment, or other assets

(4) Reimbursement arrangements

(5) Loans or loan guarantees

(6) Performance of services or membership or fundraising solicitations

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

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than the value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

	Yes	No
1a(1)		X
1a(2)		X
1b(1)		X
1b(2)		X
1b(3)		X
1b(4)		X
1b(5)		X
1b(6)		X
1c		X

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
<b>N/A</b>			

**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
N/A		

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

15

1

Paid Preparer Use Only	Print/Type preparer's name <b>JOHN B. PARKER</b>	Preparer's signature 	Date <b>05/16/11</b>	Check <input type="checkbox"/> if self-employed
	Firm's name ► <b>PARKER &amp; PARKER, PA</b>	PTIN <b>P01387834</b>		
	Firm's address ► <b>210 MALLOY DR STE 1 GOLDSBORO, NC 27534-4495</b>	Firm's EIN ► <b>56-1517448</b>		
		Phone no <b>919-778-7878</b>		

## Capital Gains and Losses for Tax on Investment Income

Form 990-PF

2010

For calendar year 2010, or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

Name

Employer Identification Number

## KEMP FOUNDATION INCORPORATED

56-0630681

(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.)
(1) STERNE AGEE-429.142	DODGE & COX STK	P	06/01/03	03/30/10
(2) STERNE AGEE-76.464	DODGE & COX STK	P	06/01/03	07/22/10
(3) STERNE AGEE-52.094	DODGE & COX STK	P	06/01/03	08/05/10
(4) STERNE AGEE-92.593	DODGE & COX STK	P	06/01/03	12/30/10
(5) STERNE AGEE-57.451	AIM GRW INVESCO	P	06/01/03	09/27/10
(6) STERNE AGEE-168.253	COLUMBIA FDS ENR	P	06/01/03	09/27/10
(7) STERNE AGEE-120.31	BLACKROCK EQ DIV	P	06/01/03	09/27/10
(8) STERNE AGEE-1,439	PRINCIPAL INV FD	P	06/01/03	09/27/10
(9) STERNE AGEE-92.268	THORNBURG INV TR	P	06/01/03	09/27/10
(10) STERNE AGEE-144.678	ING MUT FDS GLB	P	06/01/03	09/28/10
(11) STERNE AGEE-524.653	RIDGEWORTH FDS	P	06/01/03	09/28/10
(12)				
(13)				
(14)				
(15)				

(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)
(1) 42,000		50,352	-8,352
(2) 7,000		8,972	-1,972
(3) 5,000		6,112	-1,112
(4) 10,000		10,864	-864
(5) 1,228		994	234
(6) 3,158		2,573	585
(7) 1,950		1,580	370
(8) 11,503		10,024	1,479
(9) 2,455		1,927	528
(10) 2,255		1,661	594
(11) 5,799		5,521	278
(12)			
(13)			
(14)			
(15)			

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))
(1)			-8,352
(2)			-1,972
(3)			-1,112
(4)			-864
(5)			234
(6)			585
(7)			370
(8)			1,479
(9)			528
(10)			594
(11)			278
(12)			
(13)			
(14)			
(15)			

KEMPFOUND KEMP FOUNDATION INCORPORATED  
56-0630681  
FYE: 12/31/2010

**Federal Statements**

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**Statement 1 - Form 990-PF, Part I, Line 16b - Accounting Fees**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
INDIRECT ACCOUNTING FEES	\$ 802	\$ 802	\$ 802	\$ 0
<b>TOTAL</b>	<b>\$ 802</b>	<b>\$ 802</b>	<b>\$ 802</b>	<b>0</b>

**Statement 2 - Form 990-PF, Part I, Line 16c - Other Professional Fees**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
INVESTMENT MANAGEMENT FEES	\$ 1,701	\$ 1,701	\$ 1,701	\$ 0
<b>TOTAL</b>	<b>\$ 1,701</b>	<b>\$ 1,701</b>	<b>\$ 1,701</b>	<b>0</b>

**Statement 3 - Form 990-PF, Part I, Line 23 - Other Expenses**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXPENSES				\$
SUPPLIES	42			
BANK CHARGES	245	245	245	\$ 0
<b>TOTAL</b>	<b>\$ 287</b>	<b>\$ 245</b>	<b>\$ 245</b>	<b>\$ 0</b>

**Statement 4 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
1,000 GENERAL ELECTRIC	\$ 10,986	10,986	COST	\$ 18,290
1,000 TRIANGEL CAPITAL CORP	10,573	10,573	COST	19,000
1,439 PRINCIPAL INV HI YIELD	10,024	21,036	COST	26,290
1000 B B & T CORP	21,036	14,392	COST	17,810
1000 DUKE ENERGY	14,392	14,392	COST	21,000
2,015.347 RIDGEWORTH FUNDS	26,730	21,209	COST	31,877
2,938.01 PIMCO TOTAL RETURN	26,856	31,335	COST	4,082
175.549 AIM GROWTH SERIES	4,031	3,037	COST	44,127
3,335.392 DODGE & COX INC FD	36,897	38,984	COST	8,785
399 THORNBURG INV TRUST	8,332	6,405	COST	4,849
297.322 ING GLOBAL REAL ESTATE	5,074	3,413	COST	5,962
339.69 BLACKROCK EQUITY DIVIDEND	6,040	4,460	COST	14,690
500 A T & T INC	11,877	11,877	COST	11,496
495.747 COLUMBIA ENERGY & NATURAL RE	10,155	7,582	COST	14,337
133.044 DODGE & COX STOCK FUND	91,264	15,331	COST	11,406
125 CHEVRON CORP		9,312	COST	9,650
150 PROCTOR & GAMBLE COMPANY		9,745	COST	20,211
4,210.526 CATALYST FUNDS LISTED EQ		20,000	COST	6,132
847.023 MAINSTAY FUNDS LG CAP GRW FD		5,557	COST	8,151
745.082 PIONEER STRATEGIC INC FD		8,190	COST	4,408
448.876 ROYCE FD 100 FD INVEST		3,802	COST	8,133
599.78 TEMPLETON GLBL BD FD		8,190		
TOTAL	\$ 294,267	\$ 265,416		\$ 310,686

KEMPFOUND KEMP FOUNDATION INCORPORATED

56-0630681

FYE: 12/31/2010

## Federal Statements

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### Statement 5 - Form 990-PF, Part II, Line 22 - Other Liabilities

Description	Beginning of Year	End of Year
EXCISE TAX	\$ 52	\$ 52
<b>TOTAL</b>	<b>\$ 52</b>	<b>\$ 52</b>

KEMPFOUND KEMP FOUNDATION INCORPORATED  
56-0630681  
FYE: 12/31/2010

**Federal Statements**

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**Statement 6 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year**

Name	Address	Relationship	Status	Purpose	Amount
CAMP MERRIE WOOD FOUND					1,125
CAROLINA WRESTLING CLUB					100
COMMUNITY SOUP KITCHEN					1,000
DOWN EAST MINISTRY SERVIC					5,000
EASTER SEALS					15
FIRST CHRISTIAN CHURCH					50
FIRST PRESBYTERIAN CHURCH					30
GEORGE WHITFIELDS BASEBAL					55
GOODSPEED OPERA HOUSE					866
KITTY ASKINGS HOSPICE					125
MOUNT OLIVE COLLEGE					300
MOUNT OLIVE NC					
NATIONAL WILDLIFE FEDER.					
NC MUSEUM OF ART					50
NC MUSUEM OF HISTORY					125
OPERATION SANTA CLAUS					100
PARAMOUNT THEATRE FOUND.					100
PARTNERSHIP FOR CHILDREN					270
ST. PAUL UNITED METHODIST					200
					50

KEMPFOUND KEMP FOUNDATION INCORPORATED  
56-0630681  
FYE: 12/31/2010

**Federal Statements**

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**Statement 6 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the  
Year (continued)**

Name	Address	Relationship	Status	Purpose	Amount
ST. STEPHENS EPISCOPAL					5,285
THE SALVATION ARMY					1,237
UNITED CHURCH MINISTRIES					25
UNIVERSITY OF N.C.					240
WAYNE COMMUNITY COLLEGE					300
GOLDSBORO NC					520
WAYNE COMMUNITY CONCERTS					5,069
GOLDSBORO NC					5,000
WAYNE COUNTRY DAY SCHOOL					150
WAYNESBORO HISTORICAL PAR					150
WCPE					27,387
TOTAL					

Form **8868**  
(Rev January 2011)**Application for Extension of Time To File an  
Exempt Organization Return**

OMB No 1545-1709

Department of the Treasury  
Internal Revenue Service

► File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)

Do not complete **Part II** unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

**Electronic filing (e-file).** You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions) For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on e-file for Charities & Nonprofits

**Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).**

A corporation required to file Form 990-T and requesting an automatic 6-month extension-check this box and complete

Part I only



All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print File by the due date for filing your return. See instructions	Name of exempt organization <b>KEMP FOUNDATION INCORPORATED</b>	Employer identification number <b>56-0630681</b>
	Number, street, and room or suite no. If a P O box, see instructions <b>102 NORTH ANDREWS AVENUE</b>	
	City, town or post office, state, and ZIP code For a foreign address, see instructions. <b>GOLDSBORO NC 27530</b>	

Enter the Return code for the return that this application is for (file a separate application for each return)

**04**

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**MRS. BETTY KEMP****102 N ANDREWS AVE.**

- The books are in the care of ► **GOLDSBORO** NC **27532**

Telephone No ► **919-734-2779** FAX No ►

- If the organization does not have an office or place of business in the United States, check this box

- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ . If this is for the whole group, check this box ►  If it is for part of the group, check this box ►  and attach a list with the names and EINs of all members the extension is for

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **08/15/11**, to file the exempt organization return for the organization named above. The extension is for the organization's return for

- calendar year **2010** or
- tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

2 If this tax year entered in line 1 is for less than 12 months, check reason  Initial return  Final return  
 Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	3a	\$	<b>118</b>
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	<b>0</b>
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	3c	\$	<b>118</b>

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

For Paperwork Reduction Act Notice, see Instructions.  
DAA

Form **8868** (Rev 1-2011)