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

2010

Department of the Treasury
Internal Revenue Service

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

For calendar year 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 THE CEMALA FOUNDATION, INC.		A Employer identification number 56-1528982
Number and street (or P.O. box number if mail is not delivered to street address) 330 SOUTH GREENE STREET, SUITE 101	Room/suite	B Telephone number 336-274-3541
City or town, state, and ZIP code GREENSBORO, NC 27401		C If exemption application is pending, check here ☐ D 1 Foreign organizations, check here ☐ 2 Foreign organizations meeting the 85% test, check here and attach computation ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 35,763,246. (Part I, column (d) must be on cash basis)	J Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify)	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).)		(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				N/A	
2 Check ☒ if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		1,375,335.	1,604,175.		STATEMENT 1
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		-277,979.			
b Gross sales price for all assets on line 6a		2,837,860.			
7 Capital gain net income (from Part IV, line 2)					
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 or (loss)					
11 Other income			34,922.		STATEMENT 2
12 Total. Add lines 1 through 11		1,097,356.	1,639,097.		
13 Compensation of officers, directors, trustees, etc.		197,240.	0.		197,240.
14 Other employee salaries and wages					
15 Pension plans, employee benefits		55,234.	0.		55,234.
16a Legal fees					
b Accounting fees		STMT 3	16,570.	0.	16,570.
c Other professional fees					
17 Interest					
18 Taxes		STMT 4	11,901.	8,630.	0.
19 Depreciation and depletion			1,177.	0.	
20 Occupancy			26,368.	0.	26,368.
21 Travel, conferences, and meetings			18,256.	0.	18,256.
22 Printing and publications					
23 Other expenses		STMT 5	144,560.	226,983.	19,686.
24 Total operating and administrative expenses. Add lines 13 through 23			471,306.	235,613.	333,354.
25 Contributions, gifts, grants paid			1,798,713.		2,549,027.
26 Total expenses and disbursements. Add lines 24 and 25			2,270,019.	235,613.	2,882,381.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		-1,172,663.			
b Net investment income (if negative, enter -0-)			1,403,484.		
c Adjusted net income (if negative, enter -0-)				N/A	

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4

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	16,202.	19,755.	19,755.
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶	6,565.		
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	1,728.	18,641.	18,641.
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 8	34,564,731.	35,722,497.	35,722,497.
	c Investments - corporate bonds			
Liabilities	11 Investments - land, buildings, and equipment basis ▶	46,858.		
	Less: accumulated depreciation ▶	44,505.	1,000.	2,353.
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment, basis ▶			
	Less: accumulated depreciation ▶			
	15 Other assets (describe ▶ OTHER RECEIVABLES)	15,732.	0.	0.
	16 Total assets (to be completed by all filers)	34,605,958.	35,763,246.	35,763,246.
	17 Accounts payable and accrued expenses	57.		
	18 Grants payable	1,624,449.	961,317.	
Net Assets or Fund Balances	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	1,624,506.	961,317.	
	Foundations that follow SFAS 117, check here ▶ ☒			
	and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted	32,981,452.	34,801,929.	
	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	32,981,452.	34,801,929.	
	31 Total liabilities and net assets/fund balances	34,605,958.	35,763,246.	

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	32,981,452.
2 Enter amount from Part I, line 27a	2	-1,172,663.
3 Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 7	3	2,993,140.
4 Add lines 1, 2, and 3	4	34,801,929.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	34,801,929.

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			
b SEE ATTACHED STATEMENT			
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 2,837,860.		3,115,839.	-277,979.

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

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			
c			
d			
e			-277,979.

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	-277,979.
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). If (loss), enter -0- in Part I, line 8	3	N/A

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 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	2,449,515.	31,203,945.	.078500
2008	2,550,984.	40,658,055.	.062742
2007	2,268,727.	47,482,689.	.047780
2006	2,735,970.	43,937,195.	.062270
2005	3,016,222.	42,266,849.	.071361

2 Total of line 1, column (d)	2	.322653
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	.064531
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	34,011,138.
5 Multiply line 4 by line 3	5	2,194,773.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	14,035.
7 Add lines 5 and 6	7	2,208,808.
8 Enter qualifying distributions from Part XII, line 4	8	2,882,381.

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 instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b		1	14,035.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	14,035.
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	14,035.
6 Credits/Payments:			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	19,167.	
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. TAX PAID W/ O.R.	7	8,903.	28,070.
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		14,035.
11 Enter the amount of line 10 to be Credited to 2011 estimated tax ☒ Refunded ☐	11	0.	14,035.

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation ☒ \$ 0. (2) On foundation managers ☒ \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ☒ \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities	2	X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3	X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	X
b If "Yes," has it filed a tax return on Form 990-T for this year?	4b	X
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T	5	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?	6	X
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	7	X
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ☒ NC		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b	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)? If "Yes," complete Part XIV	9	X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10	X

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 ► WWW.CEMALA.ORG	13	X	
14	The books are in care of ► BETTY T. DAY Telephone no. ► 336-274-3541 Located at ► 330 SOUTH GREENE ST., STE 101, GREENSBORO, NC ZIP+4 ► 27401			
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	N/A	
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
				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 page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ☐ N/A	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? ☐ Yes ☒ No	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 ►		
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 instructions) ☐ Yes ☒ No	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 ►		
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) ☐ Yes ☒ No	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? ☐ Yes ☒ No	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? ☐ Yes ☒ No	4b	X

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?

☐ 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 ☒ Nob 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)?

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

☒

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

☐ Yes ☐ No

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

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

6b

X

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

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

N/A

7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation.

(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 STATEMENT 9		197,240.	11,834.	29,634.

2 Compensation of five highest-paid employees (other than those included on line 1). 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

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

(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

0

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

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 instructions.

3

Total. Add lines 1 through 3

0.

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	1a	34,460,913.
b	Average of monthly cash balances	1b	57,488.
c	Fair market value of all other assets	1c	10,673.
d	Total (add lines 1a, b, and c)	1d	34,529,074.
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	34,529,074.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	517,936.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	34,011,138.
6	Minimum investment return. Enter 5% of line 5	6	1,700,557.

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	1,700,557.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	14,035.
b	Income tax for 2010 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	14,035.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,686,522.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	1,686,522.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	1,686,522.

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	1a	2,882,381.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
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	2,882,381.
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	5	14,035.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	2,868,346.

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 instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				1,686,522.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2010				
a From 2005	1,036,871.			
b From 2006	626,794.			
c From 2007				
d From 2008	525,855.			
e From 2009	899,248.			
f Total of lines 3a through e	3,088,768.			
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$	2,882,381.			
a Applied to 2009, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2010 distributable amount				1,686,522.
e Remaining amount distributed out of corpus	1,195,859.			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	4,284,627.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount - see instructions			0.	
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)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	1,036,871.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	3,247,756.			
10 Analysis of line 9:				
a Excess from 2006	626,794.			
b Excess from 2007				
c Excess from 2008	525,855.			
d Excess from 2009	899,248.			
e Excess from 2010	1,195,859.			

Part XV **Supplementary Information** (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year SEE ATTACHED STATEMENT				2549027.
Total			▶ 3a	2549027.
b Approved for future payment SEE ATTACHED STATEMENT				961,316.
Total			▶ 3b	961,316.

Part XVII: Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

		Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
a	Transfers from the reporting foundation to a noncharitable exempt organization of:		
	(1) Cash	1a(1)	X
	(2) Other assets	1a(2)	X
b	Other transactions:		
	(1) Sales of assets to a noncharitable exempt organization	1b(1)	X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)	X
	(3) Rental of facilities, equipment, or other assets	1b(3)	X
	(4) Reimbursement arrangements	1b(4)	X
	(5) Loans or loan guarantees	1b(5)	X
	(6) Performance of services or membership or fundraising solicitations	1b(6)	X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	X
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.		

[illegible]

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		12/11/2013 Date		 Title
Paid Preparer Use Only	Print/Type preparer's name RONALD R. KUYATH		Preparer's signature RONALD R. KUYATH		Date 12/03/13
	Check ☐ if self-employed				PTIN
	Firm's name ▶ BERNARD ROBINSON & COMPANY, LLP				Firm's EIN ▶
	Firm's address ▶ PO BOX 19608 GREENSBORO, NC 27419-9608				Phone no 336-294-4494

THE CEMALA FOUNDATION, INC.

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 PUBLICLY TRADED SECURITIES		P		
b SEI GLOBAL PRIVATE EQUITY 2005 FUND K-1		P		
c SEI GLOBAL PRIVATE EQUITY 2005 FUND K-1		P		
d SEI GLOBAL PRIVATE EQUITY FUND II K-1		P		
e SEI GLOBAL PRIVATE EQUITY FUND II K-1		P		
f COMMONFUND DISTRESSED DEBT K-1		P		
g COMMONFUND DISTRESSED DEBT K-1		P		
h MIT PRIVATE EQUITY FUND II K-1		P		
i MIT PRIVATE EQUITY FUND II K-1		P		
j CAPITAL GAINS DIVIDENDS				
k				
l				
m				
n				
o				

(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 2,690,656.		3,115,839.	-425,183.
b 1,106.			1,106.
c 16,275.			16,275.
d 13.			13.
e 154.			154.
f 1,930.			1,930.
g -1,133.			-1,133.
h -657.			-657.
i 104,917.			104,917.
j 24,599.			24,599.
k			
l			
m			
n			
o			

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			-425,183.
b			1,106.
c			16,275.
d			13.
e			154.
f			1,930.
g			-1,133.
h			-657.
i			104,917.
j			24,599.
k			
l			
m			
n			
o			

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	-277,979.
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). If (loss), enter "-0-" in Part I, line 8 }		3	N/A

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	1
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DIVIDEND & INTEREST INCOME	1,399,934.	24,599.	1,375,335.
TOTAL TO FM 990-PF, PART I, LN 4	1,399,934.	24,599.	1,375,335.

FORM 990-PF	OTHER INCOME	STATEMENT	2
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DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
OTHER INVESTMENT INCOME	0.	34,922.	
TOTAL TO FORM 990-PF, PART I, LINE 11	0.	34,922.	

FORM 990-PF	ACCOUNTING FEES	STATEMENT	3
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	16,570.	0.		16,570.
TO FORM 990-PF, PG 1, LN 16B	16,570.	0.		16,570.

FORM 990-PF	TAXES	STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAXES	11,901.	8,630.		0.
TO FORM 990-PF, PG 1, LN 18	11,901.	8,630.		0.

FORM 990-PF	OTHER EXPENSES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
OFFICE EXPENSES	11,281.	0.		11,281.	
DUES & SUBSCRIPTIONS	2,254.	0.		2,254.	
REPAIRS & MAINTENANCE	2,453.	0.		2,453.	
INSURANCE	2,218.	0.		2,218.	
INVESTMENT MANAGEMENT FEES	124,872.	226,983.		0.	
BANK CHARGES	225.	0.		225.	
OTHER MISCELLANEOUS	1,090.	0.		1,090.	
PENALTIES	2.	0.		0.	
LICENSES AND PERMITS	165.	0.		165.	
TO FORM 990-PF, PG 1, LN 23	144,560.	226,983.		19,686.	

FOOTNOTES				STATEMENT	6
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AMENDED RETURN EXPLANATION -

THIS RETURN IS BEING AMENDED TO CORRECT FORM 990-PF, PAGE 1, PART I, LINE 25, COLUMN D - CONTRIBUTIONS, GIFTS, GRANTS PAID. THE CORRECT AMOUNT ON CASH BASIS SHOULD HAVE BEEN

2,549,027.

OTHER ITEMS AFFECTED BY THIS CHANGE ARE AS FOLLOWS:

FORM 990-PF, PAGE 3, PART V, LINE 8 QUALIFYING DISTRIBUTIONS
 FORM 990-PF, PAGE 4, PART VI, LINE 1 EXCISE TAX
 FORM 990-PF, PAGE 4, PART VI, LINE 11 REFUND
 FORM 990-PF, PAGE 8, PART XI, LINE 7 DISTRIBUTABLE AMOUNT
 FORM 990-PF, PAGE 8, PART XII, LINE 6 ADJ. QUALIFYING DISTR
 FORM 990-PF, PAGE 9, PART XIII, LINE 9 EXCESS DISTR C/O

2,882,381.
 14,035.
 14,035.
 1,686,522.
 2,868,346.
 3,247,756.

FORM 990-PF	OTHER INCREASES IN NET ASSETS OR FUND BALANCES	STATEMENT	7
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DESCRIPTION	AMOUNT
UNREALIZED GAIN ON INVESTMENTS	2,981,303.
OTHER ADJUSTMENTS	11,837.
TOTAL TO FORM 990-PF, PART III, LINE 3	2,993,140.

FORM 990-PF	CORPORATE STOCK	STATEMENT	8
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
MIT PRIVATE EQUITY	1,312,423.	1,312,423.
SEI INVESTMENTS	36,310,527.	36,310,527.
COMMONFUND DISTRESSED DEBT	249,716.	249,716.
UNREALIZED GAIN/LOSS ON INVESTMENTS	-2,150,169.	-2,150,169.
TOTAL TO FORM 990-PF, PART II, LINE 10B	35,722,497.	35,722,497.

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 9

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
MARTHA C. WRIGHT 330 SOUTH GREENE STREET, SUITE 101 GREENSBORO, NC 27401	CHAIRPERSON/DIRECTOR 4.00	0.	0.	0.
CEASAR CONE, III 330 SOUTH GREENE STREET, SUITE 101 GREENSBORO, NC 27401	VICE CHAIRPERSON/DIRECTOR 4.00	0.	0.	0.
KATHERINE K. RICHMOND 330 SOUTH GREENE STREET, SUITE 101 GREENSBORO, NC 27401	SECRETARY/DIRECTOR 2.00	0.	0.	0.
JOHN A. RICHMOND 330 SOUTH GREENE STREET, SUITE 101 GREENSBORO, NC 27401	TREASURER/DIRECTOR 2.00	0.	0.	0.
BETTY T. DAY 330 SOUTH GREENE STREET, SUITE 101 GREENSBORO, NC 27401	ASST SECRETARY/TREASURER 40.00	68,090.	4,085.	14,817.
MERRITT C. RICHMOND 330 SOUTH GREENE STREET, SUITE 101 GREENSBORO, NC 27401	DIRECTOR 2.00	0.	0.	0.
WALTER CONE 330 SOUTH GREENE STREET, SUITE 101 GREENSBORO, NC 27401	DIRECTOR 2.00	0.	0.	0.
MATTHEW D. RICHMOND 330 SOUTH GREENE STREET, SUITE 101 GREENSBORO, NC 27401	DIRECTOR 2.00	0.	0.	0.
JOHN L. BAKANE 330 SOUTH GREENE STREET, SUITE 101 GREENSBORO, NC 27401	DIRECTOR 2.00	0.	0.	0.
SUSAN SCHWARTZ 330 SOUTH GREENE STREET, SUITE 101 GREENSBORO, NC 27401	EXECUTIVE DIRECTOR 45.00	129,150.	7,749.	14,817.
CHESTER H. BROWN, JR 330 SOUTH GREENE STREET, SUITE 101 GREENSBORO, NC 27401	DIRECTOR 2.00	0.	0.	0.

TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII

197,240.	11,834.	29,634.
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FORM 990-PF

GRANT APPLICATION SUBMISSION INFORMATION
PART XV, LINES 2A THROUGH 2D

STATEMENT 10

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

SUSAN S. SCHWARTZ
330 SOUTH GREENE STREET, SUITE 101
GREENSBORO, NC 27401

TELEPHONE NUMBER

336-274-3541

FORM AND CONTENT OF APPLICATIONS

SEE ATTACHED APPLICATION AND RELATED DATA. PERMISSION GRANTED TO REPRODUCE APPLICATION.

ANY SUBMISSION DEADLINES

APPLICATIONS SHOULD BE RECEIVED BY 3/1 AND 9/1 FOR CONSIDERATION AT THE REGULAR BOARD MEETINGS.

RESTRICTIONS AND LIMITATIONS ON AWARDS

CURRENTLY LIMITED TO GUILFORD COUNTY OR FOR STATEWIDE (NC) PROJECTS.

Depreciation and Amortization 990PF
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545-0172

2010

Attachment
Sequence No 67

Name(s) shown on return THE CEMALA FOUNDATION, INC.	Business or activity to which this form relates FORM 990-PF PAGE 1	Identifying number 56-1528982
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Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I

1 Maximum amount (see instructions)	1	500,000.
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation	3	2,000,000.
4 Reduction in limitation Subtract line 3 from line 2 If zero or less, enter 0	4	
5 Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	

6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost

7 Listed property Enter the amount from line 29	7	
8 Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2009 Form 4562	10	
11 Business income limitation Enter the smaller of business income (not less than zero) or line 5	11	
12 Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2011 Add lines 9 and 10, less line 12 ▶	13	

Note: Do not use Part II or Part III below for listed property Instead, use Part V

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property) (See instructions)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2010 ▶	17	1,177.
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts check here ▶ ☐		

Section B - Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property	/		27 5 yrs	MM	S/L	
	/		27 5 yrs	MM	S/L	
i Nonresidential real property	/		39 yrs	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

20a Class life					S/L
b 12-year			12 yrs		S/L
c 40-year	/		40 yrs	MM	S/L

Part IV Summary (See instructions)

21 Listed property Enter amount from line 28	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations - see instr	22	1,177.
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement)
Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles)

24a Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No				24b If "Yes," is the evidence written? ☐ Yes ☐ No				
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use							25	
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1							28	
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1								29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person
 If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
34 Was the vehicle available for personal use during off duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2010 tax year					
43 Amortization of costs that began before your 2010 tax year					43
44 Total. Add amounts in column (f) See the instructions for where to report					44