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 JUL 1, 2010 , **and ending** JUN 30, 2011

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 THOMAS S. KENAN III FOUNDATION

A Employer identification number
56-1816652

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
P O BOX 4150

B Telephone number
919-967-0618

City or town, state, and ZIP code
CHAPEL HILL, NC 27515-4150

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) ▶$ 3,699,901.

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

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).)

	Line	Description	(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	83,025.		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	103,270.	103,270.		STATEMENT 1
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	67,717.			
	b	Gross sales price for all assets on line 6a 1,027,481.				
	7	Capital gain net income (from Part IV, line 2)		67,717.		
	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				
	12	**Total.** Add lines 1 through 11	254,012.	170,987.		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	0.	0.		0.
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees				
	b	Accounting fees STMT 2	5,910.	0.		5,910.
	c	Other professional fees STMT 3	25,072.	25,072.		0.
	17	Interest				
	18	Taxes STMT 4	1,101.	1,101.		0.
	19	Depreciation and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses STMT 5	38.	18.		20.
	24	**Total operating and administrative expenses.** Add lines 13 through 23	32,121.	26,191.		5,930.
	25	Contributions, gifts, grants paid	153,000.			153,000.
	26	**Total expenses and disbursements.** Add lines 24 and 25	185,121.	26,191.		158,930.
	27	Subtract line 26 from line 12:				
	a	Excess of revenue over expenses and disbursements	68,891.			
	b	**Net investment income** (if negative, enter -0-)		144,796.		
	c	**Adjusted net income** (if negative, enter -0-)			N/A	

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12-07-10 LHA **For Paperwork Reduction Act Notice, see the instructions.** Form **990-PF** (2010)

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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	3,536.	4,607.	4,607.
	2 Savings and temporary cash investments	96,938.	44,391.	44,391.
	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			
	7 Other notes and loans receivable ▶			
	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 STMT 7	1,038,564.	1,046,851.	1,070,141.
	b Investments - corporate stock STMT 8	2,143,318.	2,218,907.	2,578,268.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶ STATEMENT 9)	2,628.	2,494.	2,494.
	16 **Total assets** (to be completed by all filers)	3,284,984.	3,317,250.	3,699,901.
Liabilities	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			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ [X] and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	3,284,984.	3,317,250.	
	30 **Total net assets or fund balances**	3,284,984.	3,317,250.	
	31 **Total liabilities and net assets/fund balances**	3,284,984.	3,317,250.	

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	3,284,984.
2	Enter amount from Part I, line 27a	2	68,891.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	3,353,875.
5	Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 6	5	36,625.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	3,317,250.

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 STATEMENT	P		
b	SEE STATEMENT	P		
c	CAPITAL GAINS DIVIDENDS			
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	831,283.		789,518.	41,765.
b	180,411.		170,246.	10,165.
c	15,787.			15,787.
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				41,765.
b				10,165.
c				15,787.
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 — 67,717.

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	157,204.	3,292,163.	.047751
2008	192,691.	3,163,213.	.060916
2007	174,498.	4,054,431.	.043039
2006	169,943.	3,900,912.	.043565
2005	151,726.	3,561,411.	.042603

2	**Total** of line 1, column (d)	2	.237874
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	.047575
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	3,565,288.
5	Multiply line 4 by line 3	5	169,619.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	1,448.
7	Add lines 5 and 6	7	171,067.
8	Enter qualifying distributions from Part XII, line 4	8	158,930.

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	2,896.
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	2,896.
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	2,896.
6 Credits/Payments:			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a 9,168.		
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d		7	9,168.
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	6,272.
11 Enter the amount of line 10 to be: **Credited to 2011 estimated tax** ▶ 6,272. **Refunded** ▶		11	0.

Part VII-A Statements Regarding Activities

		Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
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		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? N/A	4b		
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)*

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see 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?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ STEVEN R. ARMSTRONG Telephone no. ▶ 919-967-0618

Located at ▶ SUITE 525, 100 EUROPA DRIVE, CHAPEL HILL, NC ZIP+4 ▶ 27517

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

			Yes	No
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?	16		X
	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? ☐ 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)? N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):			
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? ☐ Yes ☒ No			
	If "Yes," list the years ▶ ____, ____, ____, ____			
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.) N/A	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.)* N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b		X

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 ☒ No

b If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? 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
THOMAS S. KENAN III SUITE 525, 100 EUROPA DRIVE CHAPEL HILL, NC	DIRECTOR/PRESIDENT 0.00	0.	0.	0.
STEVEN R. ARMSTRONG SUITE 525, 100 EUROPA DRIVE CHAPEL HILL, NC	DIRECTOR/SEC/TREASURER 0.00	0.	0.	0.
PHYLLIS P. SNOW SUITE 525, 100 EUROPA DRIVE CHAPEL HILL, NC	ASSISTANT SECRETARY 0.00	0.	0.	0.
CHRISTOPHER A. SHUPING SUITE 525, 100 EUROPA DRIVE CHAPEL HILL, NC	DIRECTOR 0.00	0.	0.	0.

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

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

3 Five highest-paid independent contractors for professional services. 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 ▶ 0

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

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	3,484,580.
b	Average of monthly cash balances		1b	135,002.
c	Fair market value of all other assets		1c	
d	**Total** (add lines 1a, b, and c)		1d	3,619,582.
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	3,619,582.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	54,294.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	3,565,288.
6	**Minimum investment return.** Enter 5% of line 5		6	178,264.

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	178,264.
2a	Tax on investment income for 2010 from Part VI, line 5	2a 2,896.		
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b		
c	Add lines 2a and 2b		2c	2,896.
3	Distributable amount before adjustments. Subtract line 2c from line 1		3	175,368.
4	Recoveries of amounts treated as qualifying distributions		4	0.
5	Add lines 3 and 4		5	175,368.
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	175,368.

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	158,930.
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	158,930.
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	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	158,930.

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				175,368.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			154,987.	
b Total for prior years: ____, ____, ____		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f **Total** of lines 3a through e	0.			
4 Qualifying distributions for 2010 from Part XII, line 4: ▶ $ 158,930.				
a Applied to 2009, but not more than line 2a			154,987.	
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				3,943.
e Remaining amount distributed out of corpus	0.			
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	0.			
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 instr.			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				171,425.
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	0.			
9 **Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling ▶

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

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

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year-see 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).)

THOMAS S. KENAN III

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

NONE

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

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

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

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE SCHEDULE				153,000.
Total			▶ 3a	153,000.
b *Approved for future payment*				
NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income
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			14	103,270.	
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			14		
8 Gain or (loss) from sales of assets other than inventory			18	67,717.	
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.		170,987.	0.

13 **Total**. Add line 12, columns (b), (d), and (e) 13 170,987.

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

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).

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.

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

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

Thomas Kenan III — Signature of officer or trustee — Date 12/10/12 — Title Trustee

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
STEVEN R. ARMSTRONG	Steve R Armstrong	2/1/12		P01366491

Firm's name ▶ KENAN MANAGEMENT INC — Firm's EIN ▶

Firm's address ▶ P O BOX 4150 CHAPEL HILL, NC 27515-4150 — Phone no. 919-067-0618

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ **Attach to Form 990, 990-EZ, or 990-PF.**

OMB No 1545-0047

2010

Name of the organization	**Employer identification number**
THE THOMAS S. KENAN III FOUNDATION	56-1816652

Organization type (check one):

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule See instructions

General Rule

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor Complete Parts I and II

Special Rules

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1 Complete Parts I and II

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals Complete Parts I, II, and III

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc , purposes, but these contributions did not aggregate to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc , contributions of $5,000 or more during the year ▶ $ ______________

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Name of organization	Employer identification number
THE THOMAS S. KENAN III FOUNDATION	56-1816652

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	THOMAS S. KENAN, III 100 EUROPA DRIVE CHAPEL HILL, NC 27517	$ 46,400.	Person [ ] Payroll [ ] Noncash [X] (Complete Part II if there is a noncash contribution)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)

Name of organization: THE THOMAS S. KENAN III FOUNDATION

Employer identification number: 56-1816652

Part II Noncash Property (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	1000 SHARES OF BERKSHIRE HATHAWAY, INC CLASS B	$ 83,025.	10/07/10
		$	
		$	
		$	
		$	
		$	

Name of organization	Employer identification number
THE THOMAS S. KENAN III FOUNDATION	56-1816652

Part III **Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than $1,000 for the year.** Complete columns **(a)** through **(e) and** the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **$1,000 or less** for the year. (Enter this information once See instructions.) ▶ $

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
SUNTRUST- DIVIDENDS	119,057.	15,787.	103,270.
TOTAL TO FM 990-PF, PART I, LN 4	119,057.	15,787.	103,270.

FORM 990-PF ACCOUNTING FEES STATEMENT 2

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
KENAN MANAGEMENT, INC	5,910.	0.		5,910.
TO FORM 990-PF, PG 1, LN 16B	5,910.	0.		5,910.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
SUNTRUST INVESTMENT FEE	25,072.	25,072.		0.
TO FORM 990-PF, PG 1, LN 16C	25,072.	25,072.		0.

FORM 990-PF TAXES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	1,101.	1,101.		0.
TO FORM 990-PF, PG 1, LN 18	1,101.	1,101.		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
OTHER INVESTMENT	18.	18.		0.
BANK CHARGES	20.	0.		20.
TO FORM 990-PF, PG 1, LN 23	38.	18.		20.

FORM 990-PF OTHER DECREASES IN NET ASSETS OR FUND BALANCES STATEMENT 6

DESCRIPTION	AMOUNT
REDUCTION IN BOOK BASIS TO CONVERT TAX BASIS FOR DONATED STOCK	36,625.
TOTAL TO FORM 990-PF, PART III, LINE 5	36,625.

FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 7

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
SEE SCHEDULE	X		1,046,851.	1,070,141.
TOTAL U.S. GOVERNMENT OBLIGATIONS			1,046,851.	1,070,141.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			1,046,851.	1,070,141.

FORM 990-PF CORPORATE STOCK STATEMENT 8

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SEE SCHEDULE	2,218,907.	2,578,268.
TOTAL TO FORM 990-PF, PART II, LINE 10B	2,218,907.	2,578,268.

FORM 990-PF OTHER ASSETS STATEMENT 9

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
CASH IN TRANSIT (DIVIDENDS)	2,628.	2,494.	2,494.
TO FORM 990-PF, PART II, LINE 15	2,628.	2,494.	2,494.

Portfolio Detail

ASSET DESCRIPTION	NO OF SHARES/ PAR VALUE	UNIT PRICE	MARKET VALUE	PERCENT OF PORTFOLIO	TAX COST BASIS	ESTIMATED ANNUAL INCOME	ACCRUED INCOME	YIELD AT MARKET
***Miscellaneous** - continued*								
CLASS ACTION PENDING FANNIE MAE ON RCPT OF FINAL PMT	1.000	0.000	0.00	0.00	0.00	0	0.00	0.00
CLASS ACTION PENDING XEROX CORP ON RCPT OF FINAL PMT	1.000	0.000	0.00	0.00	0.00	0	0.00	0.00
CLASS ACTION PENDING BANK OF AMERICA CORP ON RCPT OF FINAL PMT	1.000	0.000	0.00	0.00	0.00	0	0.00	0.00
Total Miscellaneous			**$0.00**	**0.00%**	**$1.00**	**$0**	**$0.00**	**0.00%**
Total Principal Portfolio			**$3,670,516.79**	**99.40%**	**$3,287,866.12**	**$79,408**	**$3,872.22**	**2.16%**
Total Portfolio			**$3,692,800.66**	**100.00%**	**$3,310,149.99**	**$79,410**	**$3,872.37**	**2.15%**

Investment Sales and Maturities

DATE	DESCRIPTION	NO OF SHARES/PAR VALUE	TAX COST BASIS	PROCEEDS	REALIZED GAIN/LOSS
7/15/2010	SOLD 0.0159 SHARES OF FRONTIER COMMUNICATIONS CORP COM TRADE DATE 7/15/10 SOLD ON THE NEW YORK STOCK EXCHANGE, INC. TAXABLE TO FEDERAL AND STATE CIL FOR SPINOFF FROM 92343V104	0 02	-0.18	0.11	-0.07
8/3 /2010	SOLD 96 SHARES OF FRONTIER COMMUNICATIONS CORP COM TRADE DATE 7/29/10 SOLD THROUGH BNY BROKERAGE INC (ESI) PAID $4.80 BROKERAGE PAID $0.02 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 96 SHARES AT $7.68	96 00	-951.48	732.46	-219.02

Investment Sales and Maturities - *continued*

DATE	DESCRIPTION	NO OF SHARES/PAR VALUE	TAX COST BASIS	PROCEEDS	REALIZED GAIN/LOSS
8/27/2010	SOLD 350 SHARES OF EXELON CORP COM TRADE DATE 8/24/10 SOLD THROUGH BNY BROKERAGE INC (ESI) PAID $17.50 BROKERAGE PAID $0.24 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 350 SHARES AT $40.1501	350.00	-24,974 50	14,034.80	-10,939.70
8/27/2010	SOLD 225 SHARES OF MONSANTO CO NEW COM TRADE DATE 8/24/10 SOLD THROUGH BNY BROKERAGE INC (ESI) PAID $11.25 BROKERAGE PAID $0.22 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 225 SHARES AT $56.0801	225.00	-16,079.28	12,606.55	-3,472.73
10/5 /2010	SOLD 195 SHARES OF TRANSOCEAN LTD CHF15 SHS TRADE DATE 9/30/10 SOLD THROUGH BNY BROKERAGE INC (ESI) PAID $9.75 BROKERAGE PAID $0.22 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 195 SHARES AT $64.5001	195.00	-19,802.70	12,567.55	-7,235.15
10/5 /2010	SOLD 200 SHARES OF ABB LTD SPONS ADR TRADE DATE 9/30/10 SOLD THROUGH BNY BROKERAGE INC (ESI) PAID $10.00 BROKERAGE PAID $0.08 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 200 SHARES AT $21.1801	200.00	-3,926.00	4,225.94	299.94

Investment Sales and Maturities - *continued*

DATE	DESCRIPTION	NO OF SHARES/PAR VALUE	TAX COST BASIS	PROCEEDS	REALIZED GAIN/LOSS
10/5 /2010	SOLD 100 SHARES OF CISCO SYS INC COM TRADE DATE 9/30/10 SOLD THROUGH BNY BROKERAGE INC (ESI) PAID $5.00 BROKERAGE PAID $0.04 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 100 SHARES AT $22.0301	100.00	-3,612.50	2,197.97	-1,414.53
10/14/2010	SOLD 400 SHARES OF ADOBE SYS INC COM TRADE DATE 10/11/10 SOLD THROUGH BNY BROKERAGE INC (ESI) PAID $20.00 BROKERAGE PAID $0.19 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 400 SHARES AT $27.3101	400.00	-12,948.00	10,903 85	-2,044.15
10/22/2010	SOLD 1,000 SHARES OF BERKSHIRE HATHAWAY INC CL B COM NEW TRADE DATE 10/19/10 SOLD THROUGH BNY BROKERAGE INC (ESI) PAID $50.00 BROKERAGE PAID $1.41 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 1,000 SHARES AT $82.94	1,000.00	-46,400.00	82,888.59	36,488.59
1/27/2011	SOLD 199.488 SHARES OF ABERDEEN EQUITY LONG SHORT-I TRADE DATE 1/26/11 TAXABLE TO FEDERAL AND STATE 199.488 SHARES AT $11.71	199.49	-2,234.27	2,336.00	101.73
1/27/2011	SOLD 67.474 SHARES OF JANUS PERKINS SMALL CAP VALUE-I TRADE DATE 1/26/11 TAXABLE TO FEDERAL AND STATE 67 474 SHARES AT $24.55	67.47	-1,251.64	1,656.48	404.84

Investment Sales and Maturities - *continued*

DATE	DESCRIPTION	NO OF SHARES/PAR VALUE	TAX COST BASIS	PROCEEDS	REALIZED GAIN/LOSS
1/27/2011	SOLD 1,067.949 SHARES OF PIMCO COMMODITY REALRTN STRATEGY-I TRADE DATE 1/26/11 TAXABLE TO FEDERAL AND STATE 1,067.949 SHARES AT $9.24	1,067.95	-7,763.99	9,867.84	2,103.85
1/27/2011	SOLD 424.962 SHARES OF RIDGEWORTH FD-MIDCAP VAL EQTY #RGD5 TRADE DATE 1/26/11 TAXABLE TO FEDERAL AND STATE 424.962 SHARES AT $12.31	424.96	-4,221.34	5,231.28	1,009.94
1/27/2011	SOLD 11,686.962 SHARES OF RIDGEWORTH FD-INTL EQTY INDEX #RGD8 TRADE DATE 1/26/11 TAXABLE TO FEDERAL AND STATE 11,686.962 SHARES AT $13.46	11,686.96	-189,110.50	157,306.51	-31,803.99
1/27/2011	SOLD 784.686 SHARES OF RIDGEWORTH FD-INTL 130/30 #RGD1 TRADE DATE 1/26/11 TAXABLE TO FEDERAL AND STATE 784.686 SHARES AT $7.63	784.69	-3,468.31	5,987 15	2,518.84
1/27/2011	SOLD 1,466.379 SHARES OF SENTINEL SMALL CO-I TRADE DATE 1/26/11 TAXABLE TO FEDERAL AND STATE 1,466.379 SHARES AT $8.03	1,466.38	-8,959.58	11,775.02	2,815.44
1/31/2011	SOLD 48 SHARES OF AMAZON INC COM TRADE DATE 1/26/11 SOLD THROUGH BNY BROKERAGE INC (ESI) PAID $2.40 BROKERAGE PAID $0.17 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 48 SHARES AT $176.33	48.00	-6,141.27	8,461.27	2,320.00

Investment Sales and Maturities - *continued*

DATE	DESCRIPTION	NO OF SHARES/PAR VALUE	TAX COST BASIS	PROCEEDS	REALIZED GAIN/LOSS
1/31/2011	SOLD 66 SHARES OF AMGEN INC COM TRADE DATE 1/26/11 SOLD THROUGH BNY BROKERAGE INC (ESI) PAID $3.30 BROKERAGE PAID $0.08 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 66 SHARES AT $56 43	66.00	-3,976 38	3,721.00	-255 38
1/31/2011	SOLD 99 SHARES OF CVS CAREMARK CORP COM TRADE DATE 1/26/11 SOLD THROUGH BNY BROKERAGE INC (ESI) PAID $4 95 BROKERAGE PAID $0.07 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 99 SHARES AT $35.84	99.00	-4,115 31	3,543.14	-572 17
1/31/2011	SOLD 149 SHARES OF CHEVRON CORP COM TRADE DATE 1/26/11 SOLD THROUGH BNY BROKERAGE INC (ESI) PAID $7.45 BROKERAGE PAID $0 28 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 149 SHARES AT $94.5801	149 00	-8,944 47	14,084 70	5,140.23
1/31/2011	SOLD 84 SHARES OF EXXON MOBIL CORP COM TRADE DATE 1/26/11 SOLD THROUGH BNY BROKERAGE INC (ESI) PAID $4.20 BROKERAGE PAID $0.13 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 84 SHARES AT $79.10	84 00	-2,014 88	6,640 07	4,625 19

Investment Sales and Maturities - *continued*

DATE	DESCRIPTION	NO OF SHARES/PAR VALUE	TAX COST BASIS	PROCEEDS	REALIZED GAIN/LOSS
1/31/2011	SOLD 112 SHARES OF HOME DEPOT INC COM TRADE DATE 1/26/11 SOLD THROUGH BNY BROKERAGE INC (ESI) PAID $5.60 BROKERAGE PAID $0.09 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 112 SHARES AT $37.5701	112.00	-2,802.04	4,202.16	1,400.12
1/31/2011	SOLD 203 SHARES OF JOHNSON & JOHNSON COM TRADE DATE 1/26/11 SOLD THROUGH BNY BROKERAGE INC (ESI) PAID $10.15 BROKERAGE PAID $0.24 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 203 SHARES AT $60.9701	203.00	-11,688.50	12,366.54	678.04
1/31/2011	SOLD 300 SHARES OF OMNICOM GROUP COM TRADE DATE 1/26/11 SOLD THROUGH BNY BROKERAGE INC (ESI) PAID $15.00 BROKERAGE PAID $0.27 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 300 SHARES AT $46.4001	300.00	-10,664.70	13,904.76	3,240.06
1/31/2011	SOLD 230 SHARES OF PARKER HANNIFIN CORP COM TRADE DATE 1/26/11 SOLD THROUGH BNY BROKERAGE INC (ESI) PAID $11.50 BROKERAGE PAID $0.39 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 230 SHARES AT $88.3004	230.00	-15,492.57	20,297.20	4,804.63

Investment Sales and Maturities - *continued*

DATE	DESCRIPTION	NO OF SHARES/PAR VALUE	TAX COST BASIS	PROCEEDS	REALIZED GAIN/LOSS
1/31/2011	SOLD 81 SHARES OF PEPSICO INC COM TRADE DATE 1/26/11 SOLD THROUGH BNY BROKERAGE INC (ESI) PAID $4.05 BROKERAGE PAID $0.11 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 81 SHARES AT $65.96	81.00	-5,865.10	5,338.60	-526.50
1/31/2011	SOLD 275 SHARES OF TRAVELERS COS INC/THE COM TRADE DATE 1/26/11 SOLD THROUGH BNY BROKERAGE INC (ESI) PAID $13.75 BROKERAGE PAID $0.30 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 275 SHARES AT $56.2601	275.00	-13,894.21	15,457.48	1,563.27
1/31/2011	SOLD 74 SHARES OF WAL-MART STORES INC COM TRADE DATE 1/26/11 SOLD THROUGH BNY BROKERAGE INC (ESI) PAID $3.70 BROKERAGE PAID $0.09 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 74 SHARES AT $57.45	74.00	-3,225.65	4,247.51	1,021.86
2/23/2011	SOLD 9,076.932 SHARES OF RIDGEWORTH FD-SHORT TERM BD #RGCX TRADE DATE 2/22/11 TAXABLE TO FEDERAL AND STATE 9,076.932 SHARES AT $9.97	9,076.93	-89,664.04	90,497.00	832.96
2/23/2011	SOLD 58.403 SHARES OF SENTINEL SMALL CO-I TRADE DATE 2/22/11 TAXABLE TO FEDERAL AND STATE 58.403 SHARES AT $8.39	58.40	-356 84	490.00	133.16

Investment Sales and Maturities - *continued*

DATE	DESCRIPTION	NO OF SHARES/PAR VALUE	TAX COST BASIS	PROCEEDS	REALIZED GAIN/LOSS
2/24/2011	SOLD 18,746.668 SHARES OF RIDGEWORTH FD-INTERMEDIATE BD #RGCF TRADE DATE 2/23/11 TAXABLE TO FEDERAL AND STATE 18,746.668 SHARES AT $10.35	18,746.67	-192,004.00	194,028.00	2,024.00
2/25/2011	SOLD 45 SHARES OF ABB LTD SPONS ADR TRADE DATE 2/22/11 SOLD THROUGH MORGAN KEEGAN & COMPANY INC. PAID $2.25 BROKERAGE PAID $0.02 SEC FEE SOLD ON THE NEW YORK STOCK EXCHANGE, INC. TAXABLE TO FEDERAL AND STATE 45 SHARES AT $23.6855	45.00	-883.35	1,063.58	180.23
2/25/2011	SOLD 60 SHARES OF ABBOTT LABS COM TRADE DATE 2/22/11 SOLD THROUGH MORGAN STANLEY & CO. INC PAID $3.00 BROKERAGE PAID $0.05 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 60 SHARES AT $46.51	60.00	-2,920.80	2,787.55	-133.25
2/25/2011	SOLD 15 SHARES OF AMAZON INC COM TRADE DATE 2/22/11 SOLD THROUGH CAP INSTITUTIONAL SERVICES PAID $0.75 BROKERAGE PAID $0.05 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 15 SHARES AT $183.62	15.00	-1,802.97	2,753.50	950.53

Investment Sales and Maturities - *continued*

DATE	DESCRIPTION	NO OF SHARES/PAR VALUE	TAX COST BASIS	PROCEEDS	REALIZED GAIN/LOSS
2/25/2011	SOLD 25 SHARES OF AMGEN INC COM TRADE DATE 2/22/11 SOLD THROUGH CAP INSTITUTIONAL SERVICES PAID $1.25 BROKERAGE PAID $0.02 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 25 SHARES AT $51.9651	25.00	-1,506.21	1,297.86	-208.35
2/25/2011	SOLD 25 SHARES OF APACHE CORP COM TRADE DATE 2/22/11 SOLD THROUGH OPPENHEIMER & CO. INC. PAID $1.25 BROKERAGE PAID $0.06 SEC FEE SOLD ON THE NEW YORK STOCK EXCHANGE, INC. TAXABLE TO FEDERAL AND STATE 25 SHARES AT $119.561	25.00	-3,068.00	2,987.72	-80.28
2/25/2011	SOLD 115 SHARES OF BANK OF AMERICA CORP COM TRADE DATE 2/22/11 SOLD THROUGH CAP INSTITUTIONAL SERVICES PAID $5.75 BROKERAGE PAID $0.03 SEC FEE SOLD ON THE NEW YORK STOCK EXCHANGE, INC. TAXABLE TO FEDERAL AND STATE 115 SHARES AT $14.3291	115.00	-2,044.59	1,642.07	-402.52
2/25/2011	SOLD 60 SHARES OF CVS CAREMARK CORP COM TRADE DATE 2/22/11 SOLD THROUGH ISI GROUP INC. PAID $2.40 BROKERAGE PAID $0.04 SEC FEE TAXABLE TO FEDERAL AND STATE 60 SHARES AT $32.6046	60 00	-2,494.13	1,953.84	-540 29

Investment Sales and Maturities - *continued*

DATE	DESCRIPTION	NO OF SHARES/PAR VALUE	TAX COST BASIS	PROCEEDS	REALIZED GAIN/LOSS
2/25/2011	SOLD 5 SHARES OF CAMERON INTL CORP COM TRADE DATE 2/22/11 SOLD THROUGH DEUTSCHE BANK SECURITIES INC PAID $0.25 BROKERAGE PAID $0.01 SEC FEE SOLD ON THE NEW YORK STOCK EXCHANGE, INC. TAXABLE TO FEDERAL AND STATE 5 SHARES AT $59.3959	5.00	-216.60	296.72	80.12
2/25/2011	SOLD 30 SHARES OF CHEVRON CORP COM TRADE DATE 2/22/11 SOLD THROUGH WALL STREET ACCESS PAID $0.60 BROKERAGE PAID $0.06 SEC FEE SOLD ON THE NEW YORK STOCK EXCHANGE, INC. TAXABLE TO FEDERAL AND STATE 30 SHARES AT $100.6532	30.00	-1,711.80	3,018.94	1,307.14
2/25/2011	SOLD 25 SHARES OF DARDEN RESTAURANTS INC COM TRADE DATE 2/22/11 SOLD THROUGH BARCLAYS CAPITAL LE PAID $1.25 BROKERAGE PAID $0.02 SEC FEE TAXABLE TO FEDERAL AND STATE 25 SHARES AT $49.5513	25.00	-1,138.25	1,237.51	99.26
2/25/2011	SOLD 125 SHARES OF EMC CORP MASS COM TRADE DATE 2/22/11 SOLD THROUGH STIFEL, NICOLAUS & CO.,INC. PAID $6.25 BROKERAGE PAID $0.06 SEC FEE TAXABLE TO FEDERAL AND STATE 125 SHARES AT $26.6721	125.00	-2,177.35	3,327.70	1,150.35

Investment Sales and Maturities - *continued*

DATE	DESCRIPTION	NO OF SHARES/PAR VALUE	TAX COST BASIS	PROCEEDS	REALIZED GAIN/LOSS
2/25/2011	SOLD 155 SHARES OF FREEPORT-MCMORAN COPPER & GOLD COM TRADE DATE 2/22/11 SOLD THROUGH MORGAN KEEGAN & COMPANY INC. PAID $7.75 BROKERAGE PAID $0.15 SEC FEE SOLD ON THE NEW YORK STOCK EXCHANGE, INC. TAXABLE TO FEDERAL AND STATE 155 SHARES AT $51.2354	155.00	-1,786.38	7,933.59	6,147.21
2/25/2011	SOLD 20 SHARES OF GOLDMAN SACHS GROUP INC COM TRADE DATE 2/22/11 SOLD THROUGH CAP INSTITUTIONAL SERVICES PAID $1.00 BROKERAGE PAID $0.06 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 20 SHARES AT $165.45	20.00	-4,266.03	3,307.94	-958.09
2/25/2011	SOLD 65 SHARES OF HARTFORD FINL SVCS GROUP INC COM TRADE DATE 2/22/11 SOLD THROUGH DEUTSCHE BANK SECURITIES INC PAID $3.25 BROKERAGE PAID $0.04 SEC FEE SOLD ON THE NEW YORK STOCK EXCHANGE, INC. TAXABLE TO FEDERAL AND STATE 65 SHARES AT $30.2259	65.00	-1,840.14	1,961.39	121.25
2/25/2011	SOLD 110 SHARES OF HEWLETT-PACKARD CO COM TRADE DATE 2/22/11 SOLD THROUGH CAP INSTITUTIONAL SERVICES PAID $5.50 BROKERAGE PAID $0.12 SEC FEE SOLD ON THE NEW YORK STOCK EXCHANGE, INC. TAXABLE TO FEDERAL AND STATE 110 SHARES AT $47.5486	110.00	-5,568.07	5,224.73	-343.34

Investment Sales and Maturities - *continued*

DATE	DESCRIPTION	NO OF SHARES/PAR VALUE	TAX COST BASIS	PROCEEDS	REALIZED GAIN/LOSS
2/25/2011	SOLD 30 SHARES OF KOHLS CORP COM TRADE DATE 2/22/11 SOLD THROUGH BARCLAYS CAPITAL LE PAID $1.50 BROKERAGE PAID $0.03 SEC FEE TAXABLE TO FEDERAL AND STATE 30 SHARES AT $52.788	30.00	-1,567.80	1,582.11	14.31
2/25/2011	SOLD 25 SHARES OF NUCOR CORP COM TRADE DATE 2/22/11 SOLD THROUGH STUART FRANKEL & CO. INC. PAID $0.50 BROKERAGE PAID $0.02 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 25 SHARES AT $48.288	25.00	-1,188.25	1,206.68	18.43
2/25/2011	SOLD 35 SHARES OF OCCIDENTAL PETE CORP COM TRADE DATE 2/22/11 SOLD THROUGH STIFEL, NICOLAUS & CO.,INC. PAID $1.75 BROKERAGE PAID $0.07 SEC FEE TAXABLE TO FEDERAL AND STATE 35 SHARES AT $105.0926	35.00	-3,331.99	3,676.42	344.43
2/25/2011	SOLD 20 SHARES OF PARKER HANNIFIN CORP COM TRADE DATE 2/22/11 SOLD THROUGH STUART FRANKEL & CO. INC. PAID $0.40 BROKERAGE PAID $0.03 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 20 SHARES AT $90.376	20.00	-1,347.18	1,807.09	459.91

Investment Sales and Maturities - *continued*

DATE	DESCRIPTION	NO OF SHARES/PAR VALUE	TAX COST BASIS	PROCEEDS	REALIZED GAIN/LOSS
2/25/2011	SOLD 35 SHARES OF PEPSICO INC COM TRADE DATE 2/22/11 SOLD THROUGH ISI GROUP INC. PAID $1 40 BROKERAGE PAID $0.04 SEC FEE TAXABLE TO FEDERAL AND STATE 35 SHARES AT $62.7779	35.00	-2,534.30	2,195.79	-338.51
2/25/2011	SOLD 35 SHARES OF PHILIP MORRIS INTL COM TRADE DATE 2/22/11 SOLD THROUGH ISI GROUP INC. PAID $1.40 BROKERAGE PAID $0.04 SEC FEE TAXABLE TO FEDERAL AND STATE 35 SHARES AT $60.7957	35.00	-1,908.46	2,126.41	217.95
2/25/2011	SOLD 25 SHARES OF SCHLUMBERGER LTD COM TRADE DATE 2/22/11 SOLD THROUGH STIFEL, NICOLAUS & CO.,INC. PAID $1.25 BROKERAGE PAID $0.05 SEC FEE TAXABLE TO FEDERAL AND STATE 25 SHARES AT $94 95	25 00	-2,251.50	2,372.45	120.95
2/25/2011	SOLD 25 SHARES OF TEVA PHARMACEUTICAL INDS LTD ADR TRADE DATE 2/22/11 SOLD THROUGH DEUTSCHE BANK SECURITIES INC PAID $1.25 BROKERAGE PAID $0.02 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 25 SHARES AT $51.5604	25.00	-1,511 24	1,287.74	-223.50

SUNTRUST

Statement Period	Account Number	
July 1 , 2010 - June 30, 2011	7905120	**Account Statement**
	THE THOMAS S. KENAN III, FDN, INC.	

Investment Sales and Maturities - *continued*

DATE	DESCRIPTION	NO OF SHARES/PAR VALUE	TAX COST BASIS	PROCEEDS	REALIZED GAIN/LOSS
2/25/2011	SOLD 55 SHARES OF TEXAS INSTRS INC COM TRADE DATE 2/22/11 SOLD THROUGH BNY BROKERAGE INC (ESI) PAID $2.75 BROKERAGE PAID $0.04 SEC FEE SOLD ON THE NEW YORK STOCK EXCHANGE, INC. TAXABLE TO FEDERAL AND STATE 55 SHARES AT $35.595	55.00	-1,672.55	1,954.94	282.39
2/25/2011	SOLD 20 SHARES OF THERMO FISHER SCIENTIFIC INC COM TRADE DATE 2/22/11 SOLD THROUGH BROWN BROTHERS HARRIMAN & CO PAID $1.00 BROKERAGE PAID $0.02 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 20 SHARES AT $56.7801	20.00	-1,094.40	1,134.58	40.18
2/25/2011	SOLD 35 SHARES OF UNITED TECHNOLOGIES CORP COM TRADE DATE 2/22/11 SOLD THROUGH BROWN BROTHERS HARRIMAN & CO PAID $1.75 BROKERAGE PAID $0.06 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 35 SHARES AT $84.5094	35.00	-2,608.47	2,956.02	347.55
2/25/2011	SOLD 25 SHARES OF WAL-MART STORES INC COM TRADE DATE 2/22/11 SOLD THROUGH BNY BROKERAGE INC (ESI) PAID $1.25 BROKERAGE PAID $0.03 SEC FEE SOLD ON THE NEW YORK STOCK EXCHANGE, INC TAXABLE TO FEDERAL AND STATE 25 SHARES AT $53.2797	25.00	-1,089.75	1,330.71	240.96

Investment Sales and Maturities - *continued*

DATE	DESCRIPTION	NO OF SHARES/PAR VALUE	TAX COST BASIS	PROCEEDS	REALIZED GAIN/LOSS
2/28/2011	SOLD 20 SHARES OF INVESCO LTD BERMUDA COM TRADE DATE 2/23/11 SOLD THROUGH OPPENHEIMER & CO. INC. PAID $1.00 BROKERAGE PAID $0.01 SEC FEE SOLD ON THE PACIFIC STOCK EXCHANGE TAXABLE TO FEDERAL AND STATE 20 SHARES AT $26.2112	20 00	-542.86	523.21	-19.65
2/28/2011	SOLD 15 SHARES OF APPLE INC COM TRADE DATE 2/23/11 SOLD THROUGH CAP INSTITUTIONAL SERVICES PAID $0.75 BROKERAGE PAID $0.10 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 15 SHARES AT $338.65	15.00	-3,852.15	5,078.90	1,226.75
2/28/2011	SOLD 45 SHARES OF AUTODESK INC COM TRADE DATE 2/23/11 SOLD THROUGH MORGAN KEEGAN & COMPANY INC. PAID $2.25 BROKERAGE PAID $0.04 SEC FEE TAXABLE TO FEDERAL AND STATE 45 SHARES AT $41.2245	45 00	-1,247.85	1,852.81	604.96
2/28/2011	SOLD 35 SHARES OF BB&T CORP COM TRADE DATE 2/23/11 SOLD THROUGH KEEFE BRUYETTE AND WOODS INC. PAID $1.75 BROKERAGE PAID $0.02 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 35 SHARES AT $27.711	35.00	-956.20	968.12	11.92

Investment Sales and Maturities - *continued*

DATE	DESCRIPTION	NO OF SHARES/PAR VALUE	TAX COST BASIS	PROCEEDS	REALIZED GAIN/LOSS
2/28/2011	SOLD 60 SHARES OF BAXTER INTL INC COM TRADE DATE 2/23/11 SOLD THROUGH CAP INSTITUTIONAL SERVICES PAID $3.00 BROKERAGE PAID $0.06 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 60 SHARES AT $52.25	60.00	-3,111.00	3,131.94	20.94
2/28/2011	SOLD 35 SHARES OF CAPITAL ONE FINL CORP COM TRADE DATE 2/23/11 SOLD THROUGH KEEFE BRUYETTE AND WOODS INC. PAID $1.75 BROKERAGE PAID $0.03 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 35 SHARES AT $50.9082	35.00	-1,582.63	1,780.01	197.38
2/28/2011	SOLD 60 SHARES OF CISCO SYS INC COM TRADE DATE 2/23/11 SOLD THROUGH BROWN BROTHERS HARRIMAN & CO PAID $3.00 BROKERAGE PAID $0.02 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 60 SHARES AT $18.5842	60.00	-2,167.50	1,112.03	-1,055.47
2/28/2011	SOLD 90 SHARES OF COACH INC COM TRADE DATE 2/23/11 SOLD THROUGH BEAR STEARNS & CO INC PAID $4.50 BROKERAGE PAID $0.10 SEC FEE TAXABLE TO FEDERAL AND STATE 90 SHARES AT $56.2291	90.00	-2,978.02	5,056.02	2,078.00

Investment Sales and Maturities - *continued*

DATE	DESCRIPTION	NO OF SHARES/PAR VALUE	TAX COST BASIS	PROCEEDS	REALIZED GAIN/LOSS
2/28/2011	SOLD 55 SHARES OF WALT DISNEY CO COM TRADE DATE 2/23/11 SOLD THROUGH MORGAN KEEGAN & COMPANY INC. PAID $2.75 BROKERAGE PAID $0.05 SEC FEE SOLD ON THE NEW YORK STOCK EXCHANGE, INC. TAXABLE TO FEDERAL AND STATE 55 SHARES AT $43.0027	55 00	-2,179 09	2,362.35	183.26
2/28/2011	SOLD 35 SHARES OF EXXON MOBIL CORP COM TRADE DATE 2/23/11 SOLD THROUGH MERRILL LYNCH,PIERCE,FENNER&SM PAID $1.75 BROKERAGE PAID $0.06 SEC FEE SOLD ON THE NEW YORK STOCK EXCHANGE, INC. TAXABLE TO FEDERAL AND STATE 35 SHARES AT $86.00	35.00	-775.46	3,008.19	2,232.73
2/28/2011	SOLD 25 SHARES OF FLUOR CORP COM NEW TRADE DATE 2/23/11 SOLD THROUGH CAP INSTITUTIONAL SERVICES PAID $1.25 BROKERAGE PAID $0.03 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 25 SHARES AT $68.75	25.00	-1,274.50	1,717.47	442.97
2/28/2011	SOLD 55 SHARES OF HOME DEPOT INC COM TRADE DATE 2/23/11 SOLD THROUGH BARCLAYS CAPITAL LE PAID $2.75 BROKERAGE PAID $0.04 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 55 SHARES AT $38.0171	55.00	-1,376.00	2,088.15	712.15

Investment Sales and Maturities - *continued*

DATE	DESCRIPTION	NO OF SHARES/PAR VALUE	TAX COST BASIS	PROCEEDS	REALIZED GAIN/LOSS
2/28/2011	SOLD 35 SHARES OF INTUIT INC COM TRADE DATE 2/23/11 SOLD THROUGH CAP INSTITUTIONAL SERVICES PAID $1.75 BROKERAGE PAID $0.04 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 35 SHARES AT $52.64	35.00	-1,651.65	1,840.61	188.96
2/28/2011	SOLD 110 SHARES OF JP MORGAN CHASE & CO COM TRADE DATE 2/23/11 SOLD THROUGH BARCLAYS CAPITAL LE PAID $5.50 BROKERAGE PAID $0.10 SEC FEE TAXABLE TO FEDERAL AND STATE 110 SHARES AT $46.1747	110.00	-4,702.80	5,073.62	370.82
2/28/2011	SOLD 30 SHARES OF JOHNSON & JOHNSON COM TRADE DATE 2/23/11 SOLD THROUGH CAP INSTITUTIONAL SERVICES PAID $1.50 BROKERAGE PAID $0.04 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 30 SHARES AT $60.75	30.00	-1,727.36	1,820.96	93.60
2/28/2011	SOLD 85 SHARES OF MERCK & CO INC NEW COM TRADE DATE 2/23/11 SOLD THROUGH ISI GROUP INC. PAID $3.40 BROKERAGE PAID $0.05 SEC FEE TAXABLE TO FEDERAL AND STATE 85 SHARES AT $32.3486	85.00	-2,833.04	2,746.18	-86.86

Investment Sales and Maturities - *continued*

DATE	DESCRIPTION	NO OF SHARES/PAR VALUE	TAX COST BASIS	PROCEEDS	REALIZED GAIN/LOSS
2/28/2011	SOLD 105 SHARES OF MORGAN STANLEY COM NEW TRADE DATE 2/23/11 SOLD THROUGH BARCLAYS CAPITAL LE PAID $5.25 BROKERAGE PAID $0.06 SEC FEE TAXABLE TO FEDERAL AND STATE 105 SHARES AT $29.7341	105.00	-2,949.26	3,116.77	167.51
2/28/2011	SOLD 95 SHARES OF ORACLE CORP COM TRADE DATE 2/23/11 SOLD THROUGH MERRILL LYNCH,PIERCE,FENNER&SM PAID $4.75 BROKERAGE PAID $0.06 SEC FEE TAXABLE TO FEDERAL AND STATE 95 SHARES AT $32.56	95.00	-3,102.68	3,088.39	-14.29
2/28/2011	SOLD 45 SHARES OF PNC FINL SVCS GROUP INC COM TRADE DATE 2/23/11 SOLD THROUGH STIFEL, NICOLAUS & CO.,INC. PAID $2.25 BROKERAGE PAID $0.05 SEC FEE TAXABLE TO FEDERAL AND STATE 45 SHARES AT $61.7608	45.00	-2,766.15	2,776.94	10.79
2/28/2011	SOLD 35 SHARES OF PROCTER & GAMBLE CO COM TRADE DATE 2/23/11 SOLD THROUGH OPPENHEIMER & CO. INC. PAID $1.75 BROKERAGE PAID $0.04 SEC FEE SOLD ON THE PACIFIC STOCK EXCHANGE TAXABLE TO FEDERAL AND STATE 35 SHARES AT $64.0821	35.00	-2,430.71	2,241.08	-189.63

Investment Sales and Maturities - *continued*

DATE	DESCRIPTION	NO OF SHARES/PAR VALUE	TAX COST BASIS	PROCEEDS	REALIZED GAIN/LOSS
2/28/2011	SOLD 55 SHARES OF UNION PACIFIC CORP COM TRADE DATE 2/23/11 SOLD THROUGH CAP INSTITUTIONAL SERVICES PAID $2.75 BROKERAGE PAID $0.10 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 55 SHARES AT $94.14	55.00	-2,506.90	5,174.85	2,667.95
2/28/2011	SOLD 30 SHARES OF UNITED PARCEL SVC INC CL B COM TRADE DATE 2/23/11 SOLD THROUGH STIFEL, NICOLAUS & CO.,INC. PAID $1.50 BROKERAGE PAID $0.04 SEC FEE TAXABLE TO FEDERAL AND STATE 30 SHARES AT $74.7628	30.00	-2,196.30	2,241.34	45.04
2/28/2011	SOLD 45 SHARES OF VERIZON COMMUNICATIONS COM TRADE DATE 2/23/11 SOLD THROUGH BROWN BROTHERS HARRIMAN & CO PAID $2.25 BROKERAGE PAID $0.03 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 45 SHARES AT $35.8296	45.00	-1,802.26	1,610.05	-192.21
2/28/2011	SOLD 55 SHARES OF WELLS FARGO & CO NEW COM TRADE DATE 2/23/11 SOLD THROUGH MORGAN KEEGAN & COMPANY INC. PAID $2.75 BROKERAGE PAID $0.03 SEC FEE SOLD ON THE NEW YORK STOCK EXCHANGE, INC. TAXABLE TO FEDERAL AND STATE 55 SHARES AT $31.4499	55.00	-1,795.20	1,726.96	-68.24

Investment Sales and Maturities - *continued*

DATE	DESCRIPTION	NO OF SHARES/PAR VALUE	TAX COST BASIS	PROCEEDS	REALIZED GAIN/LOSS
2/28/2011	SOLD 65 SHARES OF WILLIAMS COS INC COM TRADE DATE 2/23/11 SOLD THROUGH MORGAN STANLEY & CO. INC PAID $3.25 BROKERAGE PAID $0.04 SEC FEE SOLD ON THE NEW YORK STOCK EXCHANGE, INC. TAXABLE TO FEDERAL AND STATE 65 SHARES AT $29.862	65.00	-1,747 20	1,937.74	190.54
3/9 /2011	SOLD 120 SHARES OF UNITED PARCEL SVC INC CL B COM TRADE DATE 3/4/11 SOLD THROUGH CAP INSTITUTIONAL SERVICES PAID $6.00 BROKERAGE PAID $0.17 SEC FEE SOLD ON THE NEW YORK STOCK EXCHANGE, INC. TAXABLE TO FEDERAL AND STATE 120 SHARES AT $72.0511	120.00	-6,771.92	8,639.96	1,868.04
3/23/2011	SOLD 1,190 SHARES OF CISCO SYS INC COM TRADE DATE 3/18/11 SOLD THROUGH BNY BROKERAGE INC (ESI) PAID $59.50 BROKERAGE PAID $0.39 SEC FEE TAXABLE TO FEDERAL AND STATE 1,190 SHARES AT $17.2377	1,190.00	-40,133.39	20,452.97	-19,680.42
4/6 /2011	SOLD 105 SHARES OF EXXON MOBIL CORP COM TRADE DATE 4/1/11 SOLD THROUGH STIFEL, NICOLAUS & CO.,INC. PAID $5.25 BROKERAGE PAID $0.17 SEC FEE TAXABLE TO FEDERAL AND STATE 105 SHARES AT $84.6242	105.00	-1,813 35	8,880.12	7,066.77
4/19/2011	SOLD 4,895.506 SHARES OF RIDGEWORTH FD-INTL 130/30 #RGD1 TRADE DATE 4/18/11 TAXABLE TO FEDERAL AND STATE 4,895.506 SHARES AT $7.31	4,895.51	-22,359.17	35,786.15	13,426.98

Investment Sales and Maturities - *continued*

DATE	DESCRIPTION	NO OF SHARES/PAR VALUE	TAX COST BASIS	PROCEEDS	REALIZED GAIN/LOSS
4/20/2011	SOLD 975 SHARES OF INTEL CORP COM TRADE DATE 4/15/11 SOLD THROUGH STIFEL, NICOLAUS & CO.,INC. PAID $48.75 BROKERAGE PAID $0.37 SEC FEE TAXABLE TO FEDERAL AND STATE 975 SHARES AT $19.6439	975.00	-16,282.20	19,103.68	2,821.48
5/18/2011	SOLD 217 SHARES OF JOHNSON & JOHNSON COM TRADE DATE 5/13/11 SOLD THROUGH ISI GROUP INC. PAID $8.68 BROKERAGE PAID $0.28 SEC FEE TAXABLE TO FEDERAL AND STATE 217 SHARES AT $66.3694	217.00	-12,494.60	14,393.20	1,898.60
5/20/2011	SOLD 276 SHARES OF EXXON MOBIL CORP COM TRADE DATE 5/17/11 SOLD THROUGH BNY BROKERAGE INC (ESI) PAID $13.80 BROKERAGE PAID $0.42 SEC FEE TAXABLE TO FEDERAL AND STATE 276 SHARES AT $80.192	276.00	-4,515.36	22,118.77	17,603.41
6/17/2011	SOLD 640 SHARES OF HEWLETT-PACKARD CO COM TRADE DATE 6/14/11 SOLD THROUGH CAP INSTITUTIONAL SERVICES PAID $12.80 BROKERAGE PAID $0.43 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 640 SHARES AT $34.7407	640.00	-29,054.49	22,220.82	-6,833.67
Total Investment Sales and Maturities			**-$959,764.04**	**$1,011,693.47**	**$51,929.43**

The Thomas S. Kenan III Foundation, Inc.
Form 990-PF
Year Ended June 30, 2011
EIN 56-1816652

Name and Address		Purpose of Grant Or Contribution	Amount
The Arts & Sciences Foundation UNC Chapel Hill CB 6115 Chapel Hill, NC 27599-6115	Public	WRK Jr. Science Complex Fund Association of Art Museum Directors' Function	6,000 5,000
The Ackland Art Museum UNC Chapel Hill CB 3400 Chapel Hill, NC 27599-3400	Public	Annual Fund	1,000
Botanical Garden Foundation UNC Chapel Hill CB 3375 Chapel Hill, NC 27599-3375	Public	Unrestricted	2,500
Caring House, Inc. 2615 Pickett Road Durham, NC 27705	Public	Unrestricted	1,500
Carolina Ballet 3401-131 Atlantic Avenue Raleigh, NC 27604	Public	New Nutcracker Project	10,000
Center for the Study of the American South UNC Chapel Hill 410 E. Franklin # 9127 Chapel Hill NC 27514	Public	Unrestricted	2,500
Chamber Orchestra of the Triangle 1213 E. Franklin Street Chapel Hill, NC 27514	Public	Designated for Concert Performances	10,000
Dental Foundation of North Carolina 101-A Market Street CB 7450- UNC Chapel Hill Chapel Hill NC 27514-9862	Public	2011 Mexican Team - Fund 93566-2094	2,500
Duplin County Education Foundation PO Box 128 Kenansville, NC 28349	Public	Academia Awards Celebration	1,000
Eastern Music Festival 200 North Davie Street, Suite 303 Greensboro, NC 27401	Public	AGO Convention	12,000

The Thomas S. Kenan III Foundation, Inc.
Form 990-PF
Year Ended June 30, 2011
EIN 56-1816652

Name and Address		Purpose of Grant Or Contribution	Amount
Episcopal Relief & Development 815 Second Avenue New York, NY 10017	Public	Nets for Life Inspiration Fund	5,000
Executive Mansion Fund, Inc. c/o NC Museum of History 5 East Edenton Street Raleigh, NC 27601	Public	Furnishings - Purchase	3,000
Food Bank of Central & Eastern NC 3808 Tarheel Drive Raleigh, NC 27609	Public	Operations	1,000
NC Office of Archives & History Department of Cultural Resources 4614 Mail Service Center Raleigh, NC 27699-4614	Public	Francis Nash/Felix Kenan Historical Document Pur	8,500
Cameron Art Museum 3201 South 17th Street Wilmington, NC 28412	Public	State of the Art: Art of the State Exhibition	10,000
North Carolina Arts Council Department of Cultural Resources 108 Blount Street Raleigh, NC 27699-4632	Public	A+ Program	10,000
NC Museum of Art Foundation 4630 Mail Service Center Raleigh, NC 27699-4630	Public	Exhibitions Association of Art Museum Directors' Function	10,000 5,000
Sarah P. Duke Gardens Duke University Box 90341 Durham, NC 27708-0341	Public	Fountain/Rose Project	20,000
SECU Family House at UNC Hospitals 123 Old Mason Farm Road Chapel Hill, NC 27517	Public	Operations	1,000
Thompson Child and Family Focus 6800 Saint Peter's Lane Matthews, NC 28105-8458	Public	Operations	5,000
UNCSA Foundation, Inc. 1533 S. Main Street Winston-Salem, NC 27127-2188	Public	School of Filmmaking - Full Frame Fellows Music Discretionary Fund - Scholarship Support Support - Camp Shakespeare	2,500 7,000 1,000
Woodberry Forest School 117 Woodberry Station Woodberry Forest, VA 22989	Public	AMICI Support	10,000 $ 153,000

SUNTRUST

Statement Period	Account Number	
July 1 , 2010 - June 30, 2011	7905120	**Account Statement**

THE THOMAS S. KENAN III, FDN, INC.

Portfolio Detail

ASSET DESCRIPTION	NO OF SHARES/ PAR VALUE	UNIT PRICE	MARKET VALUE	PERCENT OF PORTFOLIO	TAX COST BASIS	ESTIMATED ANNUAL INCOME	ACCRUED INCOME	YIELD AT MARKET
INCOME PORTFOLIO								
Short Term Investments								
FEDERATED MONEY MKT OBLIGS TR GOVT OBLIG INSTL CL #5 FFS	22,283.870	1.000	22,283.87	0.60	22,283.87	2	0.15	0.01
Total Short Term Investments			**$22,283.87**	**0.60%**	**$22,283.87**	**$2**	**$0.15**	**0.01%**
Total Income Portfolio			**$22,283.87**	**0.60%**	**$22,283.87**	**$2**	**$0.15**	**0.01%**
PRINCIPAL PORTFOLIO								
Short Term Investments								
FEDERATED MONEY MKT OBLIGS TR GOVT OBLIG INSTL CL #5 FFS	22,107.270	1.000	22,107 27	0.60	22,107.27	2	0.18	0.01
Total Short Term Investments			**$22,107.27**	**0.60%**	**$22,107.27**	**$2**	**$0.18**	**0.00%**
Bonds								
PIMCO FDS LOW DURATION FD INSTL CL	10,899.520	10.500	114,444.96	3.10	113,464.00	2,626	185.24	2.29
PIMCO FDS PAC INVT MGMT SER INVT GRADE CORP BD FD INSTL CL	10,775 374	10.650	114,757.73	3.11	114,082.89	6,335	502.19	5.52
RIDGEWORTH FD-SHORT TERM BD I SHS #RGCX	7,613.057	9.990	76,054.44	2.06	74,176.27	1,583	134.92	2.08
RIDGEWORTH FD-SEIX FLTG RT HIGH INCM I SHS #RGCJ	20,849.298	8.930	186,184.23	5.04	187,228.90	10,883	814.65	5.84
RIDGEWORTH FD-INTERMEDIATE BD I SHS #RGCF	33,038.501	10.490	346,573.88	9.39	333,358.48	8,920	651.43	2.57

Portfolio Detail

ASSET DESCRIPTION	NO OF SHARES/ PAR VALUE	UNIT PRICE	MARKET VALUE	PERCENT OF PORTFOLIO	TAX COST BASIS	ESTIMATED ANNUAL INCOME	ACCRUED INCOME	YIELD AT MARKET
***Bonds* - continued**								
TEMPLETON INCOME TR GLOBAL BD FD ADVISOR CL	16,735.831	13.870	232,125.98	6.29	224,540.00	10,610	0.00	4.57
Total Bonds			**$1,070,141.22**	**28.99%**	**$1,046,850.54**	**$40,960**	**$2,288.43**	**3.82%**
Common Stocks								
ABB LTD SWITZERLAND SPONS ADR	755.000	25.950	19,592.25	0.53	11,797.67	865	0.00	4.42
ABBOTT LABS COM	538.000	52.620	28,309.56	0.77	13,243.17	1,032	0.00	3.65
ABERDEEN FDS EQUITY LONG SHORT FD INSTL CL	6,431.591	11.620	74,735.09	2.02	70,249.93	0	0.00	0.00
AMAZON INC COM	122.000	204.490	24,947.78	0.68	14,664.16	0	0.00	0.00
AMGEN INC COM	349.000	58.350	20,364.15	0.55	21,032.64	0	0.00	0.00
APACHE CORP COM	219.000	123.390	27,022.41	0.73	20,357.74	131	0.00	0.49
APPLE INC COM	130.000	335.670	43,637.10	1.18	13,719.45	0	0.00	0.00
AUTODESK INC COM	455.000	38.600	17,563.00	0.48	12,617.10	0	0.00	0.00
BANK OF AMERICA CORP COM	1,585.000	10.960	17,371.60	0.47	22,624.11	63	0.00	0.36
BANK OF NEW YORK MELLON CORP COM	500.000	25.620	12,810.00	0.35	17,597.00	260	0.00	2 03
BAXTER INTL INC COM	320.000	59.690	19,100.80	0.52	15,572.56	396	99.20	2.08

Portfolio Detail

ASSET DESCRIPTION	NO OF SHARES/ PAR VALUE	UNIT PRICE	MARKET VALUE	PERCENT OF PORTFOLIO	TAX COST BASIS	ESTIMATED ANNUAL INCOME	ACCRUED INCOME	YIELD AT MARKET
***Common Stocks** - continued*								
BB&T CORP COM	479.000	26.840	12,856.36	0.35	12,168.25	306	0.00	2.38
BE AEROSPACE INC COM	555.000	40.810	22,649.55	0.61	19,949.09	0	0.00	0.00
CAMERON INTL CORP COM	295.000	50.290	14,835.55	0.40	12,779.37	0	0.00	0.00
CAPITAL ONE FINL CORP COM	540.000	51.670	27,901.80	0.76	21,778.00	108	0.00	0.39
CARNIVAL CORP UNIT COM	400.000	37.630	15,052.00	0.41	14,907.72	400	0.00	2.66
CHEVRON CORP COM	291.000	102.840	29,926.44	0.81	16,502.61	907	0.00	3.03
COACH INC COM	360.000	63.930	23,014.80	0.62	11,912.08	324	81.00	1.41
CVS CAREMARK CORP COM	541.000	37.580	20,330.78	0.55	22,488.72	270	0.00	1.33
DARDEN RESTAURANTS INC COM	313.000	49.760	15,574.88	0.42	14,250.86	400	0.00	2.57
EMC CORP MASS COM	875.000	27.550	24,106.25	0.65	15,241.45	0	0.00	0.00
EMERSON ELEC CO COM	315.000	56.250	17,718.75	0.48	15,942.86	434	0.00	2.45
EXPRESS SCRIPTS INC COM	550.000	53.980	29,689.00	0.80	17,540.71	0	0.00	0.00
FLOWSERVE CORP COM	150.000	109.890	16,483.50	0.45	13,838.91	192	48.00	1.16
FLUOR CORP COM NEW	275.000	64.660	17,781.50	0.48	12,194.25	137	34.38	0.77

Portfolio Detail

ASSET DESCRIPTION	NO OF SHARES/ PAR VALUE	UNIT PRICE	MARKET VALUE	PERCENT OF PORTFOLIO	TAX COST BASIS	ESTIMATED ANNUAL INCOME	ACCRUED INCOME	YIELD AT MARKET
***Common Stocks** - continued*								
FORUM FDS ABSOLUTE STRATEGIES FD INSTL CL	10,428.028	10.890	113,561.22	3.08	113,611.38	469	0.00	0.41
FREEPORT-MCMORAN COPPER & GOLD INC COM	245.000	52.900	12,960.50	0.35	2,823.62	245	0.00	1.89
GENERAL ELEC CO COM	1,050.000	18.860	19,803.00	0.54	32,411.98	630	157.50	3.18
GOLDMAN SACHS GROUP INC COM	157.000	133.090	20,895.13	0.57	30,836.79	219	0.00	1.05
GOOGLE INC CL A COM	50.000	506.380	25,319.00	0.69	23,147.00	0	0.00	0 00
HARTFORD FINL SVCS GROUP INC COM	748.000	26.370	19,724.76	0.53	21,030.36	299	74.80	1.52
HEWLETT-PACKARD CO COM	0.000	36.400	0.00	0.00	0.00	0	76.80	0.00
HOME DEPOT INC COM	628.000	36.220	22,746 16	0.62	14,906.88	628	0.00	2.76
HUNT J B TRANS SVCS INC COM	365.000	47.090	17,187.85	0 47	12,369.53	189	0.00	1.10
INTUIT INC COM	286.000	51.860	14,831.96	0.40	13,496.31	0	0.00	0.00
INVESCO LTD USD0.2 BERMUDA COM	530.000	23 400	12,402.00	0.34	14,385.90	259	0.00	2.09
ISHARES TR S&P MIDCAP 400 INDEX FD	1,349.000	97.700	131,797.30	3 57	131,500.52	1,384	0.00	1.05
JANUS FDS PERKINS SMALL CAP VALUE FD CL I	2,980.299	25.010	74,537 28	2.02	55,848.59	348	0.00	0 47
JP MORGAN CHASE & CO COM	765.000	40.940	31,319.10	0.85	32,267.70	765	0.00	2.44

Portfolio Detail

ASSET DESCRIPTION	NO OF SHARES/ PAR VALUE	UNIT PRICE	MARKET VALUE	PERCENT OF PORTFOLIO	TAX COST BASIS	ESTIMATED ANNUAL INCOME	ACCRUED INCOME	YIELD AT MARKET
***Common Stocks** - continued*								
KOHLS CORP COM	387.000	50.010	19,353.87	0.52	19,203.24	387	0.00	2.00
MANNING & NAPIER FDS WORLD OPPTYS SER CL A	37,011.563	9.190	340,136.26	9.21	304,465.25	2,886	0.00	0.85
MERCK & CO INC COM NEW	684.000	35.290	24,138.36	0.65	17,132.05	1,039	259.92	4.31
MORGAN STANLEY COM NEW	545.000	23.010	12,540.45	0.34	15,216.43	109	0.00	0.87
NATIONAL OILWELL VARCO INC COM	225.000	78.210	17,597.25	0.48	14,705.80	99	0.00	0.56
NUCOR CORP COM	380.000	41 220	15,663.60	0.42	17,938.20	551	137.75	3.52
OCCIDENTAL PETE CORP COM	343.000	104 040	35,685.72	0.97	27,096.65	631	157.78	1.77
OPPENHEIMER FDS DEVELOPING MKTS INSTL FD CL Y	4,396.759	35.610	156,568.59	4.24	135,122.12	628	0.00	0.40
ORACLE CORP COM	864.000	32.910	28,434.24	0.77	18,264.31	207	0.00	0.73
PARKER HANNIFIN CORP COM	190.000	89.740	17,050.60	0.46	10,763.50	281	0.00	1.65
PEPSICO INC COM	344.000	70.430	24,227.92	0.66	23,862.53	708	0.00	2.92
PHILIP MORRIS INTL COM	465.000	66.770	31,048.05	0.84	24,222.85	1,190	297.60	3.83
PIMCO FDS COMMODITY REALRETURN STRATEGY INSTL	8,047.931	8.740	70,338.92	1.90	59,168.01	9,319	0.00	13.25
PNC FINL SVCS GROUP INC COM	426.000	59.610	25,393.86	0.69	26,008.17	596	0.00	2.35

Portfolio Detail

ASSET DESCRIPTION	NO OF SHARES/ PAR VALUE	UNIT PRICE	MARKET VALUE	PERCENT OF PORTFOLIO	TAX COST BASIS	ESTIMATED ANNUAL INCOME	ACCRUED INCOME	YIELD AT MARKET
***Common Stocks** - continued*								
PRAXAIR INC COM	160.000	108.390	17,342.40	0.47	9,001.60	320	0.00	1.84
PROCTER & GAMBLE CO COM	393.000	63.570	24,983.01	0.68	26,781.16	825	0.00	3.30
QUALCOMM CORP COM	365.000	56.790	20,728.35	0.56	20,341.27	313	0.00	1.51
QUANTA SVCS INC COM	615.000	20.200	12,423.00	0.34	13,986.02	0	0.00	0.00
RIDGEWORTH FD-MIDCAP VAL EQUITY I SHS #RGD5	8,866.477	12.470	110,564.97	2.99	73,820.66	1,019	0.00	0.92
SCHLUMBERGER LTD COM	360.000	86.400	31,104.00	0.84	20,996.80	360	90.00	1.16
SCHRODER FDS US SMALL & MIDCAP OPPORTUNITES FD IV	4,601.135	12.570	57,836.27	1.57	56,732.00	0	0.00	0.00
SENTINEL FDS SMALL CO FD INSTL CL	8,826.845	8.850	78,117.58	2.12	50,955.28	0	0.00	0.00
SUNTRUST BANKS INC COM	1,000.000	25.800	25,800.00	0.70	45,259.63	40	0.00	0.15
TERADATA CORP DEL COM	305.000	60.200	18,361.00	0.50	15,093.29	0	0.00	0 00
TEVA PHARMACEUTICAL INDS LTD SPONS ADR	475.000	48.220	22,904 50	0.62	26,722.50	359	0 00	1.57
TEXAS INSTRS INC COM	465.000	32.830	15,265.95	0.41	14,140.65	241	0 00	1.58
THERMO FISHER SCIENTIFIC INC COM	230.000	64.390	14,809.70	0.40	8,183.60	0	0.00	0.00
UNION PACIFIC CORP COM	145.000	104.400	15,138.00	0.41	6,609.10	275	68.88	1.82

Portfolio Detail

ASSET DESCRIPTION	NO OF SHARES/ PAR VALUE	UNIT PRICE	MARKET VALUE	PERCENT OF PORTFOLIO	TAX COST BASIS	ESTIMATED ANNUAL INCOME	ACCRUED INCOME	YIELD AT MARKET
***Common Stocks** - continued*								
UNITED PARCEL SVC INC CL B COM	188.000	72.930	13,710.84	0.37	9,836.16	391	0.00	2.85
UNITED TECHNOLOGIES CORP COM	310.000	88.510	27,438.10	0.74	23,040.02	595	0.00	2.17
VERIZON COMMUNICATIONS COM	647.000	37.230	24,087.81	0.65	22,950.53	1,261	0 00	5.24
VISA INC CL A COM	230.000	84.260	19,379.80	0.52	16,114.23	138	0.00	0.71
WAL-MART STORES INC COM	276.000	53.140	14,666.64	0.40	12,030.81	402	0.00	2.75
WALT DISNEY CO COM	646.000	39.040	25,219.84	0.68	21,637.52	258	0.00	1.02
WELLS FARGO & CO COM NEW	814.000	28.060	22,840.84	0.62	24,713.06	390	0.00	1.71
WHIRLPOOL CORP COM	205.000	81.320	16,670.60	0.45	17,578.63	410	0.00	2.46
WILLIAMS COS INC COM	669.000	30.250	20,237.25	0.55	15,606.71	535	0.00	2.64
Total Common Stocks			**$2,578,268.30**	**69.84%**	**$2,218,907.31**	**$38,445**	**$1,583.61**	**1.49%**
Miscellaneous								
CLASS ACTION PENDING BRISTOL MYERS 2ND ON RCPT OF FINAL PMT	1.000	0.000	0.00	0.00	1.00	0	0.00	0.00
CLASS ACTION PENDING SEARS, ROEBUCK & CO ON RCPT OF FINAL PMT	1 000	0.000	0.00	0.00	0.00	0	0.00	0.00

Portfolio Detail

ASSET DESCRIPTION	NO OF SHARES/ PAR VALUE	UNIT PRICE	MARKET VALUE	PERCENT OF PORTFOLIO	TAX COST BASIS	ESTIMATED ANNUAL INCOME	ACCRUED INCOME	YIELD AT MARKET
***Miscellaneous** - continued*								
CLASS ACTION PENDING FANNIE MAE ON RCPT OF FINAL PMT	1.000	0 000	0.00	0.00	0.00	0	0.00	0.00
CLASS ACTION PENDING XEROX CORP ON RCPT OF FINAL PMT	1.000	0 000	0.00	0.00	0.00	0	0.00	0.00
CLASS ACTION PENDING BANK OF AMERICA CORP ON RCPT OF FINAL PMT	1.000	0.000	0.00	0.00	0.00	0	0.00	0.00
Total Miscellaneous			**$0.00**	**0.00%**	**$1.00**	**$0**	**$0.00**	**0.00%**
Total Principal Portfolio			**$3,670,516.79**	**99.40%**	**$3,287,866.12**	**$79,408**	**$3,872.22**	**2.16%**
Total Portfolio			**$3,692,800.66**	**100.00%**	**$3,310,149.99**	**$79,410**	**$3,872.37**	**2.15%**

Investment Sales and Maturities

DATE	DESCRIPTION	NO OF SHARES/PAR VALUE	TAX COST BASIS	PROCEEDS	REALIZED GAIN/LOSS
7/15/2010	SOLD 0.0159 SHARES OF FRONTIER COMMUNICATIONS CORP COM TRADE DATE 7/15/10 SOLD ON THE NEW YORK STOCK EXCHANGE, INC. TAXABLE TO FEDERAL AND STATE CIL FOR SPINOFF FROM 92343V104	0.02	-0.18	0.11	-0.07
8/3 /2010	SOLD 96 SHARES OF FRONTIER COMMUNICATIONS CORP COM TRADE DATE 7/29/10 SOLD THROUGH BNY BROKERAGE INC (ESI) PAID $4.80 BROKERAGE PAID $0.02 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 96 SHARES AT $7.68	96.00	-951.48	732 46	-219 02

Portfolio Detail

ASSET DESCRIPTION	NO OF SHARES/ PAR VALUE	UNIT PRICE	MARKET VALUE	PERCENT OF PORTFOLIO	TAX COST BASIS	ESTIMATED ANNUAL INCOME	ACCRUED INCOME	YIELD AT MARKET
***Miscellaneous** - continued*								
CLASS ACTION PENDING FANNIE MAE ON RCPT OF FINAL PMT	1.000	0.000	0.00	0.00	0.00	0	0.00	0.00
CLASS ACTION PENDING XEROX CORP ON RCPT OF FINAL PMT	1.000	0.000	0.00	0.00	0.00	0	0.00	0.00
CLASS ACTION PENDING BANK OF AMERICA CORP ON RCPT OF FINAL PMT	1.000	0.000	0.00	0.00	0.00	0	0.00	0.00
Total Miscellaneous			$0.00	0.00%	$1.00	$0	$0.00	0.00%
Total Principal Portfolio			$3,670,516.79	99.40%	$3,287,866.12	$79,408	$3,872.22	2.16%
Total Portfolio			$3,692,800.66	100.00%	$3,310,149.99	$79,410	$3,872.37	2.15%

Investment Sales and Maturities

DATE	DESCRIPTION	NO OF SHARES/PAR VALUE	TAX COST BASIS	PROCEEDS	REALIZED GAIN/LOSS
7/15/2010	SOLD 0.0159 SHARES OF FRONTIER COMMUNICATIONS CORP COM TRADE DATE 7/15/10 SOLD ON THE NEW YORK STOCK EXCHANGE, INC. TAXABLE TO FEDERAL AND STATE CIL FOR SPINOFF FROM 92343V104	0.02	-0.18	0.11	-0.07
8/3 /2010	SOLD 96 SHARES OF FRONTIER COMMUNICATIONS CORP COM TRADE DATE 7/29/10 SOLD THROUGH BNY BROKERAGE INC (ESI) PAID $4.80 BROKERAGE PAID $0.02 SEC FEE SOLD ON THE OTC BULLETIN BOARD TAXABLE TO FEDERAL AND STATE 96 SHARES AT $7.68	96.00	-951.48	732 46	-219.02

Form **8868** (Rev. January 2011)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**

OMB No 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ [X]
- 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* 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	Name of exempt organization	Employer identification number
	THE THOMAS S. KENAN III FOUNDATION	56-1816652
File by the due date for filing your return See instructions	Number, street, and room or suite no If a P.O. box, see instructions P O BOX 4150	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions CHAPEL HILL, NC 27515-4150	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 4

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

- The books are in the care of ▶ STEVEN R. ARMSTRONG SUITE 525, 100 EUROPA DRIVE - CHAPEL HILL, NC 27517
  Telephone No. ▶ 919-967-0618 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 FEBRUARY 15, 2012 , to file the exempt organization return for the organization named above The extension is for the organization's return for
▶ [ ] calendar year ______ or
▶ [X] tax year beginning JUL 1, 2010 , and ending JUN 30, 2011

2 If the 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	$ 1,448.
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	$ 9,168.
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	$ 0.

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

LHA **For Paperwork Reduction Act Notice, see Instructions.** Form **8868** (Rev. 1-2011)

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01-03-11