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Form **990-PF**
**Return of Private Foundation  
or Section 4947(a)(1) Nonexempt Charitable Trust  
Treated as a Private Foundation**

OMB No 1545-0052

**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 **08/01/10**, and ending **07/31/11**
 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

**SURTMAN FOUNDATION**

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

**145 LODGE TRAIL**

Room/suite

City or town, state, and ZIP code

**VESUVIUS VA 24483**H Check type of organization.  Section 501(c)(3) exempt private foundation Section 4947(a)(1) nonexempt charitable trust  Other taxable private foundationI Fair market value of all assets at  
end of year (from Part II, col (c),  
line 16) ► \$ **1,313,822**J Accounting method:  Cash  Accrual  
 Other (specify)

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

A Employer identification number

**56-6056565**

B Telephone number (see page 10 of the instructions)

**540-377-2197**C If exemption application is pending, check here ► D 1. Foreign organizations, check here ► 2. Foreign organizations meeting the  
85% test, check here and attach computation ► E If private foundation status was terminated under  
section 507(b)(1)(A), check here ► F If the foundation is in a 60-month termination  
under section 507(b)(1)(B), check here ► 
**Part I Analysis of Revenue and Expenses** (The total of  
amounts in columns (b), (c), and (d) may not necessarily equal  
the amounts in column (a) (see page 11 of the instructions))

 (a) Revenue and  
expenses per  
books (b) Net investment  
income (c) Adjusted net  
income (d) Disbursements  
for charitable  
purposes  
(cash basis only)

Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)			
	2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B			
	3 Interest on savings and temporary cash investments			
	4 Dividends and interest from securities			
	5a Gross rents			
	b Net rental income or (loss)			
	6a Net gain or (loss) from sale of assets not on line 10	<b>STMT 1</b>		
	b Gross sales price for all assets on line 6a	<b>2,077,593</b>		
	7 Capital gain net income (from Part IV, line 2)			
	8 Net short-term capital gain			
	9 Income modifications			
	10a Gross sales less returns & allowances			
Operating and Administrative Expenses	b Less: Cost of goods sold			
	c Gross profit or (loss) (attach schedule)			
	11 Other income (attach schedule)	<b>STMT 2</b>		
	12 Total. Add lines 1 through 11	<b>179,898</b>	<b>52,443</b>	<b>46,329</b>

Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	<b>7,000</b>	<b>3,500</b>	<b>3,500</b>
	14 Other employee salaries and wages			
	15 Pension plans, employee benefits			
	16a Legal fees (attach schedule)			
	b Accounting fees (attach schedule)	<b>STMT 3</b>	<b>3,980</b>	<b>3,980</b>
	c Other professional fees (attach schedule)	<b>STMT 4</b>	<b>9,516</b>	<b>9,516</b>
	17 Interest			
	18 Taxes (attach schedule) (see page 14 of the instructions)	<b>STMT 5</b>	<b>1,109</b>	<b>1,109</b>
	19 Depreciation (attach schedule) and depletion	<b>STMT 6</b>	<b>219</b>	
	20 Occupancy			
	21 Travel, conferences, and meetings			
	22 Printing and publications			
	23 Other expenses (attach schedule)	<b>STMT 7</b>	<b>79</b>	<b>79</b>
	24 Total operating and administrative expenses.			
	Add lines 13 through 23	<b>21,903</b>	<b>18,184</b>	<b>18,184</b>
	25 Contributions, gifts, grants paid	<b>63,250</b>		<b>63,250</b>
	26 Total expenses and disbursements. Add lines 24 and 25	<b>85,153</b>	<b>18,184</b>	<b>18,184</b>
	27 Subtract line 26 from line 12:			
	a Excess of revenue over expenses and disbursements	<b>94,745</b>		
	b Net investment income (if negative, enter -0-)		<b>34,259</b>	
	c Adjusted net income (if negative, enter -0-)			<b>28,145</b>

For Paperwork Reduction Act Notice, see page 30 of the instructions.

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	<b>Part II Balance Sheets</b>	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
<b>Assets</b>	1 Cash—non-interest-bearing		35,655	14,216	14,216
	2 Savings and temporary cash investments		9,703	1,103	1,103
	3 Accounts receivable ►				
	Less: allowance for doubtful accounts ►				
	4 Pledges receivable ►				
	Less: allowance for doubtful accounts ►				
	5 Grants receivable				
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)				
	7 Other notes and loans receivable (att. schedule) ►		0		
	Less: allowance for doubtful accounts ►				
	8 Inventories for sale or use				
	9 Prepaid expenses and deferred charges				
	10a Investments—U.S. and state government obligations (attach schedule)	SEE STMT 8			
	b Investments—corporate stock (attach schedule)		1,166,532	1,295,514	1,297,637
	c Investments—corporate bonds (attach schedule)				
	11 Investments—land, buildings, and equipment basis ►				
	Less accumulated depreciation (attach sch.) ►				
	12 Investments—mortgage loans				
	13 Investments—other (attach schedule)				
	14 Land, buildings, and equipment basis ►	5,334			
	Less accumulated depreciation (attach sch.) ►	STMT 9	4,332	1,220	1,002
	15 Other assets (describe ►	)			866
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)			1,213,110	1,311,835
					1,313,822
<b>Liabilities</b>	17 Accounts payable and accrued expenses				3,980
	18 Grants payable				
	19 Deferred revenue				
	20 Loans from officers, directors, trustees, and other disqualified persons				
	21 Mortgages and other notes payable (attach schedule)				
	22 Other liabilities (describe ►	)			
	23 Total liabilities (add lines 17 through 22)		0		3,980
<b>Net Assets or Fund Balances</b>	Foundations that follow SFAS 117, check here ► <input type="checkbox"/>	and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted				
	25 Temporarily restricted				
	26 Permanently restricted				
	Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/>	and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds		351,420	351,420	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund				
	29 Retained earnings, accumulated income, endowment, or other funds		861,690	956,435	
	30 Total net assets or fund balances (see page 17 of the instructions)		1,213,110	1,307,855	
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)		1,213,110	1,311,835	

**Part III Analysis of Changes in Net Assets or Fund Balances**

1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	1,213,110
2 Enter amount from Part I, line 27a	2	94,745
3 Other increases not included in line 2 (itemize) ►	3	
4 Add lines 1, 2, and 3	4	1,307,855
5 Decreases not included in line 2 (itemize) ►	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	1,307,855

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**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
<b>1a CAPITAL GAINS DISTRIBUTIONS</b>				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
<b>a 8,120</b>			<b>8,120</b>	
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a			<b>8,120</b>	
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)	If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7		2	<b>8,120</b>
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8			3	

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

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

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

 Yes  No

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	<b>57,000</b>	<b>1,263,167</b>	<b>0.045125</b>
2008	<b>82,814</b>	<b>1,151,892</b>	<b>0.071894</b>
2007	<b>94,256</b>	<b>1,740,377</b>	<b>0.054158</b>
2006	<b>90,000</b>	<b>1,898,722</b>	<b>0.047400</b>
2005	<b>87,714</b>	<b>1,795,055</b>	<b>0.048864</b>

2 Total of line 1, column (d)

**0.267441**

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

**0.053488**

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

**1,243,295**

5 Multiply line 4 by line 3

**66,501**

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

**343**

7 Add lines 5 and 6

**66,844**

8 Enter qualifying distributions from Part XII, line 4

**63,250**

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

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

- 1a Exempt operating foundations described in section 4940(d)(2), check here ►  and enter "N/A" on line 1  
 Date of ruling or determination letter. (attach copy of letter if necessary—see instructions)
- b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ►  and enter 1% of Part I, line 27b
- c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).
- 2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)
- 3 Add lines 1 and 2
- 4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)
- 5 **Tax based on Investment income.** Subtract line 4 from line 3. If zero or less, enter -0-
- 6 Credits/Payments:
- a 2010 estimated tax payments and 2009 overpayment credited to 2010
- b Exempt foreign organizations—tax withheld at source
- c Tax paid with application for extension of time to file (Form 8868)
- d Backup withholding erroneously withheld
- 7 Total credits and payments Add lines 6a through 6d
- 8 Enter any penalty for underpayment of estimated tax. Check here  if Form 2220 is attached
- 9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed
- 10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid
- 11 Enter the amount of line 10 to be: Credited to 2011 estimated tax ► Refunded ►

1	685
2	0
3	685
4	0
5	685
6a	54
6b	
6c	
6d	
7	54
8	2
9	633
10	
11	

**Part VII-A Statements Regarding Activities**

- 1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign? **1a** Yes **1a** No
- b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? **1b** Yes **1b** No
- If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.
- c Did the foundation file Form 1120-POL for this year? **1c** Yes **1c** No
- d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:  
 (1) On the foundation. ► \$ \_\_\_\_\_ (2) On foundation managers. ► \$ \_\_\_\_\_
- e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ► \$ \_\_\_\_\_
- 2 Has the foundation engaged in any activities that have not previously been reported to the IRS? **2** Yes **2** No  
 If "Yes," attach a detailed description of the activities.
- 3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes **3** Yes **3** No
- 4a Did the foundation have unrelated business gross income of \$1,000 or more during the year? **4a** Yes **4a** No
- b If "Yes," has it filed a tax return on Form 990-T for this year? **4b** Yes **4b** No
- 5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? **5** Yes **5** No  
 If "Yes," attach the statement required by General Instruction T
- 6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either:  
 • By language in the governing instrument, or  
 • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument? **6** Yes **6** No
- 7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV **7** Yes **7** No
- 8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ► **NC** **8a** Yes **8a** No
- b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation **8b** Yes **8b** No
- 9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV **9** Yes **9** No
- 10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses **10** Yes **10** No

**N/A**

1/31 INT

3

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6 TOT

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**Part VII-A Statements Regarding Activities (continued)**

- 11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions) 11  **X**
- 12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? 12  **X**
- 13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? 13  **X**

Website address ► **N/A**  
 14 The books are in care of ► **JEFFREY M CHANTER**  
**145 LODGE TRAIL**

Telephone no ► **540-377-2197**Located at ► **VESUVIUS****VA****ZIP+4 ► 24483**

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

- 16 At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? 16  **Yes**  **No**  
**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.

- 1a During the year did the foundation (either directly or indirectly):
- (1) Engage in the sale or exchange, or leasing of property with a disqualified person?  Yes  No
- (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?  Yes  No
- (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?  Yes  No
- (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?  Yes  No
- (5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?  Yes  No
- (6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)  Yes  No
- b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here **N/A** ►
- c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010? **N/A** ►
- 2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):
- a At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010?  Yes  No
- If "Yes," list the years ► **20 20 20 20**  Yes  No
- b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 22 of the instructions.) **N/A** ►
- c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► **20 20 20 20** **N/A** ►
- 3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?  Yes  No
- b If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.) **N/A** ►
- 4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? **3b** ►
- 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? **4a** ►  **X**
- 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))?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 5a(1)–(5), did <u>any</u> of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here		<b>N/A</b>
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?	<b>N/A</b>	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		
	If "Yes" to 6b, file Form 8870		
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If Yes, did the foundation receive any proceeds or have any net income attributable to the transaction?		<b>N/A</b>

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

**1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions)**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
JEFFREY M CHANTER 145 LODGE TRAIL	VESUVIUS VA 24483	TRUSTEE 2.00	7,000	0

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

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

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

0

**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)****3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
<b>NONE</b>		

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

**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 (see page 24 of the instructions)**

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

Amount

**1 N/A****2**

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

**3**

Total. Add lines 1 through 3 ►

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	<b>1,231,023</b>
b	Average of monthly cash balances	1b	<b>30,339</b>
c	Fair market value of all other assets (see page 25 of the instructions)	1c	<b>866</b>
d	<b>Total</b> (add lines 1a, b, and c)	1d	<b>1,262,228</b>
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	<b>1,262,228</b>
4	Cash deemed held for charitable activities Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	<b>18,933</b>
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	<b>1,243,295</b>
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	<b>62,165</b>

**Part XI Distributable Amount** (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ►  and do not complete this part)

1	Minimum investment return from Part X, line 6	1	<b>62,165</b>
2a	Tax on investment income for 2010 from Part VI, line 5	2a	<b>685</b>
b	Income tax for 2010 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	<b>685</b>
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	<b>61,480</b>
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	<b>61,480</b>
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	<b>61,480</b>

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

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	<b>63,250</b>
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	<b>63,250</b>
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	0
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	<b>63,250</b>

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

**Part XIII Undistributed Income** (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				<b>61,480</b>
2 Undistributed income, if any, as of the end of 2010.			<b>62,998</b>	
a Enter amount for 2009 only				
b Total for prior years: 20 ____ , 20 ____ , 20 ____				
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f Total of lines 3a through e				
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$ <b>63,250</b>			<b>62,998</b>	
a Applied to 2009, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2010 distributable amount			<b>252</b>	
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions				
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions				
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011			<b>61,228</b>	
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a				
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 XV Supplementary Information (continued)****3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<b>a Paid during the year</b> <b>SEE STATEMENT 11</b>				<b>63,250</b>
<b>Total</b>			► 3a	<b>63,250</b>
<b>b Approved for future payment</b> <b>N/A</b>				
<b>Total</b>			► 3b	

Part XVI-A | Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514	(e) Related or exempt function income (See page 28 of the instructions )
		(a) Business code	(b) Amount	(c) Exclusion code	
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	44,323
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory				18	133,569
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue: a					
b <b>OTHER REVENUE</b>				14	2,006
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)			0		179,898
13 Total. Add line 12, columns (b), (d), and (e)				13	179,898

**12 Subtotal. Add columns (b), (d), and (e)**

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

(See worksheet in line 13 instructions on page 29 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). (See page 29 of the instructions.)
N/A	

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

- 1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

- a Transfers from the reporting foundation to a noncharitable exempt organization of.

- ### (1) Cash

- (2) Other assets**
  - b Other transactions**
    - (1) Sales of assets to a noncharitable exempt organization**
    - (2) Purchases of assets from a noncharitable exempt organization**
    - (3) Rental of facilities, equipment, or other assets**
    - (4) Reimbursement arrangements**
    - (5) Loans or loan guarantees**
    - (6) Performance of services or membership or fundraising solicitations**

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

- d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the 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.

- 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

<b>Paid Preparer</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed
	<b>STEPHEN O WADE</b>	<b>STEPHEN O WADE</b>	<b>01/20/12</b>	
<b>Use Only</b>	Firm's name ►	<b>SMITH, WADE &amp; CO.</b>	PTIN	<b>P00404043</b>
	Firm's address ►	<b>5821 FAIRVIEW RD. SUITE 106 CHARLOTTE, NC 28209</b>	Firm's EIN ►	<b>56-1000953</b>
		Phone no	<b>704-554-5726</b>	

Form. **4562**Department of the Treasury  
Internal Revenue Service  
(99)**Depreciation and Amortization**  
(Including Information on Listed Property)

OMB No 1545-0172

**2010**Attachment Sequence No **67**

Name(s) shown on return

**SURTMAN FOUNDATION**Identifying number  
**56-6056565**

Business or activity to which this form relates

**INDIRECT DEPRECIATION****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	<b>500,000</b>
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	<b>2,000,000</b>
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 <b>smaller</b> 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 (see instructions)	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.) (See instructions)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	<b>37</b>

**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	<b>182</b>
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 ► <input type="checkbox"/>		

**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	
i Nonresidential real property			27.5 yrs.	MM	S/L	
			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 instructions	22	<b>219</b>
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	

For Paperwork Reduction Act Notice, see separate instructions.

DAA

THERE ARE NO AMOUNTS FOR PAGE 2

Form 4562 (2010)

PF0001 SURTMAN FOUNDATION  
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## Federal Statements

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### Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets

Whom Sold	Description	Date Acquired	Date Sold	Sale Price	How Received		Depreciation	Net Gain / Loss
					Cost	Expense		
TOTAL SHORT TERM CAP GAINS		9/01/10	7/29/11	\$ 752,354	\$ 714,539	\$		\$ 37,815
TOTAL SHORT TERM CAP LOSSES		9/01/10	7/29/11	\$ 383,583	\$ 393,320	\$		-\$9,737
TOTAL LONG TERM CAP GAINS		9/01/10	7/29/11	\$ 667,862	\$ 552,743	\$		115,119
TOTAL LONG TERM CAP LOSSES		9/01/10	7/29/11	\$ 265,674	\$ 283,422	\$		-\$17,748
<b>TOTAL</b>				<b>\$ 2,069,473</b>	<b>\$ 1,944,024</b>	<b>\$ 0</b>		<b>\$ 125,449</b>

### Statement 2 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income	
			\$ 2,006	\$ 0
OTHER REVENUE	\$ 2,006	\$ 0		
<b>TOTAL</b>	<b>\$ 2,006</b>	<b>\$ 0</b>		

### Statement 3 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	
			\$ 3,980	\$ 3,980
ACCOUNTING FEES	\$ 3,980	\$ 3,980		
<b>TOTAL</b>	<b>\$ 3,980</b>	<b>\$ 0</b>		

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## Federal Statements

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### Statement 4 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
CUSTODIAL FEES	\$ 9,516	\$ 9,516	\$ 9,516	\$ 0
<b>TOTAL</b>	<b>\$ 9,516</b>	<b>\$ 9,516</b>	<b>\$ 9,516</b>	<b>0</b>

### Statement 5 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
TAXES	\$ 100	\$ 100	\$ 100	\$ 0
MECKLENBURG COUNTY CLERK OF COUR	\$ 1,009	\$ 1,009	\$ 1,009	\$ 0
<b>TOTAL</b>	<b>\$ 1,109</b>	<b>\$ 1,109</b>	<b>\$ 1,109</b>	<b>0</b>

### Statement 6 - Form 990-PF, Part I, Line 19 - Depreciation

Date Acquired	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
COMPUTER 10/01/95	\$ 2,510	\$ 2,303	200DB	5	\$ 5	\$ 5	\$ 5
COMPUTER ADDITIONS 12/05/96	297		256 200DB	5			
MONITOR 1/31/98	834		727 200DB	5			
MACBOOK PRO 8/26/09	1,415		679 200DB	5			
SOFTWARE 8/26/09	\$ 278	\$ 148		182			
<b>TOTAL</b>	<b>\$ 5,334</b>	<b>\$ 4,113</b>			<b>\$ 37</b>	<b>\$ 0</b>	<b>\$ 0</b>

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**Statement 7 - Form 990-PF, Part I, Line 23 - Other Expenses**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	\$	\$	\$	\$
EXPENSES				
OTHER EXPENSE	79	79	79	79
TOTAL	<u>79</u>	<u>79</u>	<u>79</u>	<u>0</u>

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## Federal Statements

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### Statement 8 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
	\$ 1,166,532	\$ 1,295,514	COST	\$ 1,297,637
TOTAL	\$ 1,166,532	\$ 1,295,514		\$ 1,297,637

### Statement 9 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
	\$ 1,220	\$ 5,334	\$ 4,332	\$ 866
TOTAL	\$ 1,220	\$ 5,334	\$ 4,332	\$ 866

## Federal Statements

### Form 990-PF, Part XV, Line 1a - Managers Who Contributed Over 2% or \$5,000

Name of Manager	Amount
NONE	\$ _____
TOTAL	\$ _____ 0

### Form 990-PF, Part XV, Line 1b - Managers Who Own 10% or More Stock

Name of Manager	Amount
NONE	\$ _____
TOTAL	\$ _____ 0

### Form 990-PF, Part XV, Line 2b - Application Format and Required Contents

Description
ANY LEGIBLE AND ORDERLY FORM

### Form 990-PF, Part XV, Line 2c - Submission Deadlines

Description
NONE

### Statement 10 - Form 990-PF, Part XV, Line 2d - Award Restrictions or Limitations

Description
EDUCATIONAL GRANTS, PRIMARILY MEDICAL RESEARCH, EDUCATION AND COMMUNITY SERVICE ORGANIZATIONS

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**Statement 11 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year**

Name	Address	Relationship	Status	Purpose	Amount
LAKE OSWEGO HIGH SCHOOL				EDUCATIONAL	4,250
LAKE OSWEGO LIBRARY				EDUCATIONAL	2,500
LIBERTY UNIVERSITY				EDUCATIONAL	5,000
SHEPHERD'S DOOR				RELIGIOUS	2,500
MARTHA'S MISSION CUPBOARD				RELIGIOUS	7,500
NORTHEAST DOWNS SYNDROME				MEDICAL RESEARCH	2,500
LAKE OSWEGO CHAMBER				COMMUNITY SERVICE	1,500
LIBERTY GODPARENT FNDN				EDUCATIONAL	2,500
CROSSROADS BAPTIST CHURCH				RELIGIOUS	5,000
HOPE AGLOW				RELIGIOUS	1,500
ENCORE PETS				COMMUNITY SERVICE	1,000
CARTERET COUNTY HUMANE SO				COMMUNITY SERVICE	3,000
FDN - SHACKLEFORD HORSES				COMMUNITY SERVICE	1,250
STANLEY TOTAL LIVING CTR				COMMUNITY SERVICE	1,500
LAKE OSWEGO THEATRE				COMMUNITY SERVICE	1,000
PERALTA HACIENDA HIST PK				COMMUNITY SERVICE	15,750
CLOUD NINE RESCUE				COMMUNITY SERVICE	3,000
ROCKBRIDGE HOSPICE				MEDICAL RESEARCH	1,000

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**Statement 11 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the  
Year (continued)**

Name	Address	Relationship	Status	Purpose	Amount
KATHWOOD BAPTIST				RELIGIOUS	1,000
TOTAL					63,250