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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 10/01/10, and ending 09/30/11

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

**LUCY DANIELS FOUNDATION**

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

**9001 WESTON PARKWAY**

Room/suite

City or town, state, and ZIP code

**CARY****NC 27513**H Check type of organization ☒ Section 501(c)(3) exempt private foundation☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at

end of year (from Part II, col (c),

line 16) **\$ 5,735,172**J Accounting method: ☐ Cash ☐ Accrual☒ Other (specify) **HYBRID**

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

A Employer identification number

**58-1854794**

B Telephone number (see page 10 of the instructions)

**919-677-9888**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	1,352	1,352	1,352	
	4 Dividends and interest from securities	49,107	49,107	49,107	
	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>	252,439			
	b Gross sales price for all assets on line 6a <b>951,872</b>				
	7 Capital gain net income (from Part IV, line 2)		0		
	8 Net short-term capital gain			0	
9 Income modifications					
10a Gross sales less returns and allowances					
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule) <b>STMT 2</b>	19,508		19,508		
12 Total. Add lines 1 through 11	322,406	50,459	69,967		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0			
	14 Other employee salaries and wages	61,693			61,693
	15 Pension plans, employee benefits	8,191			8,191
	16a Legal fees (attach schedule) <b>SEE STMT 3</b>	71,627			63,588
	b Accounting fees (attach schedule) <b>STMT 4</b>	2,800			2,800
	c Other professional fees (attach schedule) <b>STMT 5</b>	12,199	12,199	12,199	
	17 Interest	19			19
	18 Taxes (attach schedule) (see page 14 of the instructions) <b>STMT 6</b>	1,010	1,010	1,010	
	19 Depreciation (attach schedule) and depletion <b>STMT 7</b>	60,210			
	20 Occupancy	25,757			25,059
	21 Travel, conferences, and meetings	1,876			1,876
	22 Printing and publications				
	23 Other expenses (att sch) <b>STMT 8</b>	139,994			141,594
	24 Total operating and administrative expenses. Add lines 13 through 23	385,376	13,209	13,209	304,820
	25 Contributions, gifts, grants paid	75,000			75,000
26 Total expenses and disbursements. Add lines 24 and 25	460,376	13,209	13,209	379,820	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-137,970				
b Net investment income (if negative, enter -0-)		37,250			
c Adjusted net income (if negative, enter -0-)			56,758		

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	50	50	50
	2 Savings and temporary cash investments	489,984	431,899	431,899
	3 Accounts receivable ▶ Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶ Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶ Less: allowance for doubtful accounts ▶	0		
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	3,710	5,269	5,269
	10a Investments—U S and state government obligations (attach schedule)			
	b Investments—corporate stock (attach schedule) <b>SEE STMT 9</b>	1,384,689	1,201,204	1,436,295
	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)			
<b>Liabilities</b>	14 Land, buildings, and equipment basis ▶ <b>3,240,586</b> Less: accumulated depreciation (attach sch) ▶ <b>STMT 10 1,417,772</b>	1,755,453	1,822,814	3,240,586
	15 Other assets (describe ▶ <b>SEE STATEMENT 11</b> )	585,037	621,073	621,073
	16 <b>Total assets</b> (to be completed by all filers—see the instructions Also, see page 1, item I)	4,218,923	4,082,309	5,735,172
	17 Accounts payable and accrued expenses	10,214	11,434	
	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 ▶ <b>SEE STATEMENT 12</b> )	664	800	
	23 <b>Total liabilities</b> (add lines 17 through 22)	10,878	12,234	
<b>Net Assets or Fund Balances</b>	<b>Foundations that follow SFAS 117, check here</b> ▶ <input checked="" type="checkbox"/> <b>and complete lines 24 through 26 and lines 30 and 31.</b>			
	24 Unrestricted	4,201,871	4,070,075	
	25 Temporarily restricted	6,174		
	26 Permanently restricted			
	<b>Foundations that do not follow SFAS 117, check here</b> ▶ <input type="checkbox"/> <b>and complete lines 27 through 31.</b>			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
<b>Net Assets or Fund Balances</b>	30 <b>Total net assets or fund balances</b> (see page 17 of the instructions)	4,208,045	4,070,075	
	31 <b>Total liabilities and net assets/fund balances</b> (see page 17 of the instructions)	4,218,923	4,082,309	

**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	4,208,045
2 Enter amount from Part I, line 27a	2	-137,970
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	4,070,075
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	4,070,075

**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</b> N/A				
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				

  

(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</b>			
<b>b</b>			
<b>c</b>			
<b>d</b>			
<b>e</b>			

  

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

(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	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
<b>a</b>			
<b>b</b>			
<b>c</b>			
<b>d</b>			
<b>e</b>			

  

<b>2</b> Capital gain net income or (net capital loss)	<div style="border: 1px solid black; padding: 2px;">           If gain, also enter in Part I, line 7            If (loss), enter -0- in Part I, line 7         </div>	<b>2</b>	
		<b>3</b>	
<b>3</b> 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			

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

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

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

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

☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	350,946	6,032,560	0.058175
2008	321,649	4,740,161	0.067856
2007	523,145	5,879,539	0.088977
2006	675,646	5,956,245	0.113435
2005	512,555	6,032,560	0.084965

  

<b>2</b> Total of line 1, column (d)	<b>2</b>	0.413408
<b>3</b> 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	<b>3</b>	0.082682
<b>4</b> Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	<b>4</b>	0
<b>5</b> Multiply line 4 by line 3	<b>5</b>	
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)	<b>6</b>	373
<b>7</b> Add lines 5 and 6	<b>7</b>	373
<b>8</b> Enter qualifying distributions from Part XII, line 4 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.	<b>8</b>	379,820

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

<b>1a</b>	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter: (attach copy of letter if necessary—see instructions)		
<b>b</b>	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	<b>1</b>	<b>373</b>
<b>c</b>	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
<b>2</b>	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	<b>2</b>	<b>0</b>
<b>3</b>	Add lines 1 and 2	<b>3</b>	<b>373</b>
<b>4</b>	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	<b>4</b>	<b>0</b>
<b>5</b>	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-	<b>5</b>	<b>373</b>
<b>6</b>	Credits/Payments		
<b>a</b>	2010 estimated tax payments and 2009 overpayment credited to 2010	<b>6a</b>	<b>971</b>
<b>b</b>	Exempt foreign organizations—tax withheld at source	<b>6b</b>	
<b>c</b>	Tax paid with application for extension of time to file (Form 8868)	<b>6c</b>	
<b>d</b>	Backup withholding erroneously withheld	<b>6d</b>	
<b>7</b>	Total credits and payments. Add lines 6a through 6d	<b>7</b>	<b>971</b>
<b>8</b>	Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	<b>8</b>	
<b>9</b>	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b>	<b>9</b>	
<b>10</b>	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b>	<b>10</b>	<b>598</b>
<b>11</b>	Enter the amount of line 10 to be <b>Credited to 2011 estimated tax</b> <b>598</b> <b>Refunded</b>	<b>11</b>	

**Part VII-A Statements Regarding Activities**

	Yes	No
<b>1a</b> 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?		<b>X</b>
<b>1b</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)? If the answer is "Yes" to <b>1a</b> or <b>1b</b> , attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		<b>X</b>
<b>1c</b> Did the foundation file <b>Form 1120-POL</b> for this year?		<b>X</b>
<b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year. (1) On the foundation. <b>\$</b> _____ (2) On foundation managers <b>\$</b> _____		
<b>e</b> Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <b>\$</b> _____		
<b>2</b> 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		<b>X</b>
<b>3</b> 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		<b>X</b>
<b>4a</b> Did the foundation have unrelated business gross income of \$1,000 or more during the year?		<b>X</b>
<b>4b</b> If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year?		
<b>5</b> Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		<b>X</b>
<b>6</b> 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?	<b>X</b>	
<b>7</b> 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	<b>X</b>	
<b>8a</b> Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <b>NC</b>		
<b>8b</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	<b>X</b>	
<b>9</b> 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		<b>X</b>
<b>10</b> Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		<b>X</b>

**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		<b>X</b>
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		<b>X</b>
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <b>LDF.ORG</b>	13	<b>X</b>	
14	The books are in care of ► <b>KATIE LINDSEY</b> <b>9001 WESTON PARKWAY</b> Located at ► <b>CARY</b>	Telephone no. ► <b>919-677-9888</b> ZIP+4 ► <b>27513</b>		
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	► <input type="checkbox"/>	
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	<b>Yes</b>	<b>No</b> <b>X</b>

**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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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.)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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 ► <input type="checkbox"/>	
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? If "Yes," list the years ► 20 , 20 , 20 , 20	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010 )	N/A	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	<b>X</b>
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	<b>X</b>

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

<b>5a</b> 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>b</b> If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)?	<b>N/A</b>	<b>5b</b>		
Organizations relying on a current notice regarding disaster assistance check here	<input type="checkbox"/>			
<b>c</b> 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)				
<b>6a</b> 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>b</b> Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		<b>6b</b>		<b>X</b>
If "Yes" to 6b, file Form 8870				
<b>7a</b> 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>b</b> If Yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	<b>N/A</b>	<b>7b</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
SEE STATEMENT 13				

**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
NONE		

**Total** number of others receiving over \$50,000 for professional services ▶**Part IX-A Summary of Direct Charitable Activities**

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

	Expenses
<b>1 GRANT FOR SUPPORT OF LUCY DANIELS CENTER FOR EARLY CHILDHOOD DEVELOPMENT</b>	<b>75,000</b>
<b>2 TREATMENT AND RESEARCH PROGRAMS INCLUDING PARTICIPANT GRANTS</b>	<b>46,313</b>
<b>3</b>	
<b>4</b>	

**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
<b>1 N/A</b>	
<b>2</b>	
All other program-related investments See page 24 of the instructions	
<b>3</b>	
<b>Total.</b> Add lines 1 through 3 <span style="float: right;">▶</span>	



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

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes.		
<b>a</b>	Average monthly fair market value of securities	<b>1a</b>	<b>0</b>
<b>b</b>	Average of monthly cash balances	<b>1b</b>	<b>0</b>
<b>c</b>	Fair market value of all other assets (see page 25 of the instructions)	<b>1c</b>	<b>0</b>
<b>d</b>	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	<b>0</b>
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	<b>0</b>
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	<b>0</b>
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	<b>0</b>
<b>4</b>	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	<b>4</b>	<b>0</b>
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	<b>0</b>
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	<b>0</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 )

<b>1</b>	Minimum investment return from Part X, line 6	<b>1</b>	
<b>2a</b>	Tax on investment income for 2010 from Part VI, line 5	<b>2a</b>	<b>373</b>
<b>b</b>	Income tax for 2010. (This does not include the tax from Part VI.)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	<b>373</b>
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	
<b>5</b>	Add lines 3 and 4	<b>5</b>	
<b>6</b>	Deduction from distributable amount (see page 25 of the instructions)	<b>6</b>	
<b>7</b>	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	<b>0</b>

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

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
<b>a</b>	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	<b>1a</b>	<b>379,820</b>
<b>b</b>	Program-related investments—total from Part IX-B	<b>1b</b>	
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the		
<b>a</b>	Suitability test (prior IRS approval required)	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule)	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	<b>379,820</b>
<b>5</b>	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)	<b>5</b>	<b>373</b>
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	<b>379,447</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
<b>1</b> Distributable amount for 2010 from Part XI, line 7				<b>0</b>
<b>2</b> Undistributed income, if any, as of the end of 2010:				
<b>a</b> Enter amount for 2009 only				
<b>b</b> Total for prior years: 20____, 20____, 20____				
<b>3</b> Excess distributions carryover, if any, to 2010:				
<b>a</b> From 2005	<b>220,943</b>			
<b>b</b> From 2006	<b>388,076</b>			
<b>c</b> From 2007	<b>237,804</b>			
<b>d</b> From 2008	<b>86,073</b>			
<b>e</b> From 2009				
<b>f</b> <b>Total</b> of lines 3a through e	<b>932,896</b>			
<b>4</b> Qualifying distributions for 2010 from Part XII, line 4: <b>\$ 379,820</b>				
<b>a</b> Applied to 2009, but not more than line 2a				
<b>b</b> Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
<b>c</b> Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
<b>d</b> Applied to 2010 distributable amount				
<b>e</b> Remaining amount distributed out of corpus	<b>379,820</b>			
<b>5</b> Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a) )				
<b>6</b> <b>Enter the net total of each column as indicated below:</b>				
<b>a</b> Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	<b>1,312,716</b>			
<b>b</b> Prior years' undistributed income Subtract line 4b from line 2b				
<b>c</b> 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				
<b>d</b> Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions				
<b>e</b> Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
<b>f</b> Undistributed income for 2010 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				<b>0</b>
<b>7</b> 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)				
<b>8</b> Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)	<b>220,943</b>			
<b>9</b> <b>Excess distributions carryover to 2011.</b> Subtract lines 7 and 8 from line 6a	<b>1,091,773</b>			
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2006	<b>388,076</b>			
<b>b</b> Excess from 2007	<b>237,804</b>			
<b>c</b> Excess from 2008	<b>86,073</b>			
<b>d</b> Excess from 2009				
<b>e</b> Excess from 2010	<b>379,820</b>			

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

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

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

	Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
<b>2a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
<b>b</b> 85% of line 2a					
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed					
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
<b>3</b> Complete 3a, b, or c for the alternative test relied upon.					
<b>a</b> "Assets" alternative test—enter					
<b>(1)</b> Value of all assets					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i)					
<b>b</b> "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
<b>c</b> "Support" alternative test—enter					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
<b>(3)</b> Largest amount of support from an exempt organization					
<b>(4)</b> 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 page 28 of the instructions.)

**1 Information Regarding Foundation Managers:**

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

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

**2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**  
Check here ☒ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

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

**b** The form in which applications should be submitted and information and materials they should include  
**N/A**

**c** Any submission deadlines  
**N/A**

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

**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</b> Paid during the year <b>LUCY DANIELS CENTER ECE</b> <b>9003 WESTON PARKWAY</b> <b>CARY NC 27513</b>			<b>MATCHING GRANT</b>	<b>75,000</b>
<b>Total</b>			<b>► 3a</b>	<b>75,000</b>
<b>b</b> Approved for future payment <b>N/A</b>				
<b>Total</b>			<b>► 3b</b>	



**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

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

[illegible]

- 2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

☐ Yes ☒ No

- b** If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

**Sign  
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Signature of officer or trustee

Date \_\_\_\_\_

Title

**Paid**

Print/Type preparer's name

Preparer's signature

Date \_\_\_\_\_

Check ☐ if self-employed

Preparer  
Use Only

LEONARD S. WOODALL, JR.

Firm's name ► **RIVES & ASSOCIATES, LLP**

Firm's address ▶ 702 OBERLIN RD STE 410

RALEIGH, NC 27605

PTIN P00290907

Firm's EIN ▶ 20-0427530

Phone no **919-832-6848**

Form **990-PF** (2010)

## Federal Statements

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

Description		How Received		Expense	Depreciation	Net Gain / Loss
Whom Sold	Date Acquired	Date Sold	Sale Price			
AKAMI TECH CO	6/21/10	6/01/11	PURCHASE 32,601 \$	45,624 \$	\$	-13,023
ARUBA NETWORKS INC	6/21/10	1/26/11	PURCHASE 21,708	15,348		6,360
BABCOCK & WILCOX CO	1/16/09	3/17/11	PURCHASE 46,924	16,797		30,127
BABCOCK & WOLCOX CO	8/09/10	3/17/11	PURCHASE 3,126	2,305		821
BABCOCK & WILCOX CO	8/09/10	3/17/11	PURCHASE 12,505	9,224		3,281
BABCOCK & WILCOX CO	8/09/10	3/17/11	PURCHASE 12,496	9,222		3,274
BABCOCK & WILCOX CO	8/09/10	3/17/11	PURCHASE 18,738	13,834		4,904
BB&T	4/20/09	9/15/00	PURCHASE 40,767	35,150		5,617
BERKSHIRE HATHAWAY	11/16/92	2/23/11	PURCHASE 126,356	9,807		116,549
CREE RESEARCH	VARIOUS	4/26/11	PURCHASE 39,010	65,915		-26,905
ECOLAB	12/21/01	6/21/11	PURCHASE 101,675	39,505		62,170
LOWE'S	VARIOUS	6/21/00	PURCHASE 67,951	72,293		-4,342
MV ETF GOLD MINER	11/05/09	6/21/11	PURCHASE 15,481	12,924		2,557
NASDAQ 100 SHRS	6/21/10	6/21/11	PURCHASE 16,206	14,141		2,065
NASDAQ 100 SHRS	4/20/09	6/21/11	PURCHASE 54,021	32,439		21,582
NASDAQ 100 SHRS	6/21/10	6/21/11	PURCHASE 16,206	14,142		2,064
NASDAQ 100 SHRS	6/21/10	6/21/11	PURCHASE 21,608	18,855		2,753
NUCOR CORP	9/02/08	9/15/11	PURCHASE 31,796	52,586		-20,790

## Federal Statements

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets (continued)

Whom Sold	Description	Date Acquired	Date Sold	How Received		Cost	Expense	Depreciation	Net Gain / Loss
				Sale Price	PURCHASE				
SECTOR SPDR MATERIALS		4/20/09	9/15/11	\$ 31,925	PURCHASE	24,266	\$	\$	7,659
SILVER WHEATON CORP		7/29/10	12/07/10	37,669	PURCHASE	19,206			18,463
SILVER WHEATON CORP		7/29/10	1/26/11	30,739	PURCHASE	19,206			11,533
TEVA PHARM INDS LTD ADR		6/21/10	1/26/11	52,395	PURCHASE	53,958			-1,563
TORTOISE ENERGY INFRA		11/12/04	4/29/11	39,542	PURCHASE	27,387			12,155
VEECO INSTRUMENTS INC		6/21/10	1/26/11	44,602	PURCHASE	38,150			6,452
WALGREEN CO		2/06/02	12/07/10	35,825	PURCHASE	37,149			-1,324
TOTAL				\$ 951,872		\$ 699,433	\$ 0	\$ 0	\$ 252,439

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

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
CONFERENCE REGISTRATIONS	\$ 3,060	\$	\$ 3,060
OTHER RELATED INCOME	16,448		16,448
TOTAL	\$ 19,508	\$ 0	\$ 19,508

Statement 3 - Form 990-PF, Part I, Line 16a - Legal Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	\$ 71,627	\$	\$	\$ 63,588
TOTAL	\$ 71,627	\$ 0	\$ 0	\$ 63,588



## Federal Statements

Statement 4 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
INDIRECT ACCOUNTING FEES	\$ 2,800	\$	\$	\$ 2,800
TOTAL	\$ 2,800	\$ 0	\$ 0	\$ 2,800

Statement 5 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
INVESTMENT MANAGEMENT FEES	\$ 12,199	\$ 12,199	\$ 12,199	\$
TOTAL	\$ 12,199	\$ 12,199	\$ 12,199	\$ 0

Statement 6 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXCISE TAXES	\$ 971	\$ 971	\$ 971	\$
FOREIGN TAXES ON DIVIDENDS	39	39	39	
TOTAL	\$ 1,010	\$ 1,010	\$ 1,010	\$ 0

Statement 7 - Form 990-PF, Part I, Line 19 - Depreciation

Date Acquired	Description	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
2/28/90	SURGE PROTECTOR	156	\$ 156	S/L	10	\$	\$	\$
3/15/90	AUDIO SYSTEM	1,404	1,404	S/L	10			
5/15/90	2 SURGE PROTECTORS	163	163	S/L	10			
3/07/90	COMPUTER ACCESSORIES	35	35	S/L	10			
8/18/92	IBM TYPEWRITER	742	742	S/L	10			

## Federal Statements

## Statement 7 - Form 990-PF, Part I, Line 19 - Depreciation (continued)

Description		Date Acquired	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
WHEELCHAIR		9/18/92	\$ 450	\$ 450	S/L	10	\$	\$	
COMPUTER TERMINAL		9/20/92	762	762	S/L	5			
CPU & KEYBOARD		9/20/92	400	400	S/L	5			
GE MICROWAVE		10/26/92	210	210	S/L	5			
CPU STAND		10/26/92	105	105	S/L	5			
4 HP LASER PRINTERS		1/05/93	4,614	4,614	S/L	5			
10 CASSETTE RECORDERS W/ MICROPHONES		1/07/93	1,874	1,874	S/L	5			
VHS CAMCORDER W/ MIC (PANASONIC)		2/09/93	2,045	2,045	S/L	5			
TRIPOD		2/09/93	265	265	S/L	5			
20" TV/RECEIVER (MITSU)		2/09/93	355	355	S/L	5			
TUFFY CART 42"		2/09/93	195	195	S/L	10			
COMPUTER ACCESSORIES		3/04/93	1,345	1,345	S/L	5			
DICTATING EQUIPMENT		8/10/93	764	764	S/L	10			
KODAK PROJECTOR		8/23/93	1,103	1,103	S/L	5			
SIGN (STREET)		12/15/92	5,962	5,962	S/L	15			
HUMIDIFIER		4/19/94	220	220	S/L	10			
LCD PROJECTOR		10/11/94	4,035	4,035	S/L	5			
OVERHEAD PROJECTOR		1/31/95	212	212	S/L	5			
WHEELED CART (OAK)		4/04/95	400	400	S/L	10			

## Federal Statements

## Statement 7 - Form 990-PF, Part I, Line 19 - Depreciation (continued)

Description		Date Acquired	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
COMPUTER MONITOR									
6/04/96 \$	518 \$		518 S/L	518	S/L	5	\$	\$	\$
HP DESK TOP HP P75-630NB									
6/13/96	1,973		1,973 S/L	1,973	S/L	5			
NEC 15 INCH COMPUTER MONITOR									
1/28/97	465		465 S/L	465	S/L	5			
COMPUTER UPGRADE									
10/20/97	1,382		1,382 S/L	1,382	S/L	5			
KENITEC P200MMX 32 MB COMPUTER (DEV DIRECTOR)									
10/31/97	2,618		2,618 S/L	2,618	S/L	5			
COMPUTER UPGRADE									
11/04/97	1,313		1,313 S/L	1,313	S/L	5			
FIRE SYSTEM UPGRADE									
11/26/97	965		965 S/L	965	S/L	5			
WATER HEATER FOR SCHOOL									
4/30/98	4,317		4,317 S/L	4,317	S/L	7			
KENITEC PII/350 W/SCI (EXECUTIVE ASSISTANT)									
8/10/98	4,892		4,892 S/L	4,892	S/L	5			
FAX MACHINE									
9/01/98	569		569 S/L	569	S/L	5			
2 ZIP DRIVES									
9/17/98	211		211 S/L	211	S/L	5			
OFFICE FURNISHINGS									
9/15/92	19,000		19,000 S/L	19,000	S/L	10			
OFFICE FURNISHINGS									
9/15/92	16,000		16,000 S/L	16,000	S/L	10			
OFFICE MATS									
10/07/92	816		816 S/L	816	S/L	10			
OFFICE FURNISHINGS									
11/02/92	16,296		16,296 S/L	16,296	S/L	10			
OFFICE FURNISHINGS									
11/10/92	8,248		8,248 S/L	8,248	S/L	10			
OFFICE FURNITURE (INMAN)									
12/17/92	4,309		4,309 S/L	4,309	S/L	10			
CONFERENCE TABLE									
1/11/93	1,557		1,557 S/L	1,557	S/L	10			
MINIBLINDS									
2/09/93	517		517 S/L	517	S/L	10			

## Federal Statements

## Statement 7 - Form 990-PF, Part I, Line 19 - Depreciation (continued)

Description		Date Acquired	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
OUTDOOR SIGN (BLDG)		2/19/93	\$ 1,173	\$ 1,173	S/L	15	\$	\$	\$
CABINETS-KITCHEN		2/23/93	5,205	5,205	S/L	10			
3 LOUNGE CHAIRS		2/23/93	2,511	2,511	S/L	10			
OFFICE FURNISHINGS		1/27/93	1,703	1,703	S/L	10			
COFFEE TABLE (GLASS/CHROME)		3/04/93	1,470	1,470	S/L	10			
INTERNAL LETTERING		3/11/93	2,416	2,416	S/L	10			
SOFA (INMAN)		3/16/93	4,026	4,026	S/L	10			
LAMP (INMAN)		6/24/93	345	345	S/L	10			
SERVING CART		6/24/93	318	318	S/L	10			
OFFICE FURNISHINGS (FINAL)		7/31/93	18,038	18,038	S/L	10			
SUNSHADE (CONFERENCE ROOM)		6/24/93	4,000	4,000	S/L	10			
EASEL		9/30/93	324	324	S/L	10			
STORAGE CABINET		9/30/93	172	172	S/L	10			
PAINTINGS		2/08/93	19,421	19,421	S/L	10			
PODIUM W/COVER		1/26/94	1,705	1,705	S/L	10			
OUTSIDE SCULPTURES (THOMAS SAYRE)		3/09/94	7,200	7,200	S/L	10			
COMPUTER/WORK DESK		3/31/94	1,226	1,226	S/L	10			
METAL SHELVING		11/11/94	169	169	S/L	10			
PROJECTOR TABLE		3/01/95	159	159	S/L	10			

## Federal Statements

## Statement 7 - Form 990-PF, Part I, Line 19 - Depreciation (continued)

Description		Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
Date Acquired								
FILE CABINETS (OAK)								
3/14/95	\$	4,522	\$	4,522	S/L	10	\$	\$
OAK CLOSET INSERT								
3/14/95		400		400	S/L	10		
OFFICE CABINET (RETROFIT)								
7/27/95		470		470	S/L	10		
RESEARCH ROOM JOURNAL CASE								
5/14/96		3,300		3,300	S/L	10		
FILING CABINET								
8/01/96		610		610	S/L	10		
OAK JOURNAL CASE								
5/14/96		3,446		3,446	S/L	10		
LARGE OAK PLATFORM								
2/25/97		750		750	S/L	10		
SMALL OAK PLATFORM								
2/25/97		375		375	S/L	10		
2 OAK PLATFORMS								
1/15/97		1,525		1,525	S/L	10		
2 OAK FILE DRAWERS								
12/02/96		530		530	S/L	10		
2 OAK FILE DRAWERS								
4/28/97		564		564	S/L	10		
CABINETS								
3/03/98		486		486	S/L	10		
CABINETS								
3/03/98		2,562		2,562	S/L	10		
CABINETS								
4/02/98		1,102		1,102	S/L	10		
CABINETS								
2/06/98		2,562		2,562	S/L	10		
CHAIR								
12/04/97		422		422	S/L	10		
LIBRARY ADDITIONS								
6/30/90		998		998	S/L	5		
LIBRARY ADDITIONS								
1/01/91		1,342		1,342	S/L	5		
LIBRARY ADDITIONS								
3/15/92		1,066		1,066	S/L	5		

## Federal Statements

## Statement 7 - Form 990-PF, Part I, Line 19 - Depreciation (continued)

Description		Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
Date Acquired								
LIBRARY ADDITIONS								
5/15/93	\$	1,215	1,215	S/L	5	\$	\$	\$
LIBRARY ADDITIONS								
3/31/94		2,122	2,122	S/L	5			
LIBRARY ADDITIONS								
3/01/95		1,945	1,945	S/L	5			
LIBRARY ADDITIONS								
3/01/96		1,865	1,865	S/L	5			
LIBRARY ADDITIONS								
3/01/97		2,206	2,206	S/L	5			
LIBRARY ADDITIONS								
3/01/98		3,247	3,247	S/L	5			
BUILDING								
9/01/92	2,017,389		909,927	S/L	31.5	50,434		
SECURITY & FIRE SYSTEM								
8/31/92	16,835		16,835	S/L	15			
BUILDING								
3/29/93	128,723		56,450	S/L	31.5	3,219		
BUILDING								
9/02/93	12,825		5,464	S/L	31.5	321		
SECURITY SYSTEM								
11/10/92	13,674		13,674	S/L	15			
BUILDING								
3/31/94	6,925		2,864	S/L	31.5	173		
BUILDING								
3/01/94	7,839		3,242	S/L	31.5	196		
BUILDING-STORAGE ROOM								
8/31/94	6,550		2,640	S/L	39	164		
DRAINAGE SYSTEM								
11/30/95	6,071		2,258	S/L	39	152		
WATERPROOFING OF BUILDING								
9/15/98	38,160		23,135	S/L	20	1,908		
LAND								
3/16/90	528,772				0			
NIGHT MAGIC 4 LUMINARIES & 4 LIGHT POLES								
10/23/95	2,334		1,692	S/L	20	117		
2 LIGHT POLES								
11/28/95	908		658	S/L	20	46		

## Federal Statements

## Statement 7 - Form 990-PF, Part I, Line 19 - Depreciation (continued)

Description		Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
Date Acquired								
PARKING LOT LIGHTS								
2/27/96	\$ 459	\$	333	S/L	20	\$ 23	\$	\$
POLE LIGHTS INSTALATION								
3/01/96	2,825		2,048	S/L	20	141		
AIS COMPUTER PART								
3/05/99	190		190	S/L	5			
SLIDE PROJECTOR								
4/21/99	464		464	S/L	5			
VIDEO EQUIPMENT								
5/28/99	1,167		1,167	S/L	5			
SECURITY CAMERA								
7/08/99	1,585		1,585	S/L	5			
NIGHT MAGIC 4 LUMINAIRES								
12/28/98	3,371		1,939	S/L	20	168		
NIGHT MAGIC 6 PATH LIGHTS								
6/11/99	1,743		1,002	S/L	20	87		
NIGHT MAGIC 14 IN-GROUND PATH LIGHTS								
4/21/99	3,927		2,258	S/L	20	196		
PATH LIGHTS ELECTRICAL INSTALL.								
4/21/99	2,500		1,438	S/L	20	125		
3 IN GROUND PATH LIGHTS								
10/07/99	873		873	200DB	5			
2 WIRELESS HANDHELD MIC PACKAGES W/ TRANSMIT								
12/07/99	1,717		1,717	200DB	5			
BOGEN PROJECTOR PLATE								
2/15/00	278		278	200DB	5			
3 - 14 DRAW LATERAL CABINETS (TAPE STORAGE)								
2/29/00	8,774		8,774	200DB	7			
SHREDDER								
8/01/00	180		180	200DB	5			
HP DESKJET 2000CSE/CXI PRINTER								
8/04/00	508		508	200DB	5			
HP JETDIRECT 300X ENET								
8/04/00	317		317	200DB	5			
HP LASERJET 4050TN								
8/04/00	1,908		1,908	200DB	5			
TOSHIBA SATELLITE PRO 4340 LAPTOP COMPUTER								
8/04/00	3,405		3,405	200DB	5			

## Federal Statements

## Statement 7 - Form 990-PF, Part I, Line 19 - Depreciation (continued)

Description		Date Acquired	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
PC WAREHOUSE COMPUTER AMD K7 ATHLON 750MHZ		8/04/00	\$ 2,767	\$ 2,767	200DB	5	\$	\$	
APC SMART UPS		8/04/00	371	371	200DB	5			
DELL COMPUTER (BAUCOM)		8/10/00	2,699	2,699	200DB	5			
DELL DIMENSION 4100 COMPUTER (BAUCOM)		9/14/00	2,031	2,031	200DB	5			
COMPUTER MONITOR (MVB)		9/30/00	1,167	1,167	200DB	5			
FURNITURE (MVB)		9/30/00	3,975	3,975	200DB	7			
DESK TOP (MVB)		9/30/00	988	988	200DB	7			
SECURITY SYSTEM UPGRADE		5/31/00	17,214	17,214	200DB	7			
4 METAL HALIDE STANDARDS W/FIXTURES		7/02/01	3,981	3,981	200DB	5			
POLE LIGHT INSTALLATION		9/30/01	2,831	1,458	150DB	20	127		
REFRIGERATOR		2/27/01	1,813	1,813	200DB	7			
FOLDING TABLES		5/04/01	320	320	200DB	7			
NEC 124I DIGITAL TELEPHONE SYSTEM		8/15/01	5,971	5,971	200DB	5			
FURNITURE - TABLES AND LAMP		10/30/00	850	850	200DB	7			
EXECUTIVE HIGH BACK CHAIR		11/07/00	583	583	200DB	7			
96HR TIME LAPSE VCR		12/21/00	986	986	200DB	5			
OFFICE FURNITURE - MVB		1/05/01	206	206	200DB	7			
COMPUTER KEYBOARD/MOUSE SUPPORT SYS		3/09/01	688	688	200DB	5			
FURNITURE		8/29/01	261	261	200DB	7			



## Statement 7 - Form 990-PF, Part I, Line 19 - Depreciation (continued)

Date		Description		Prior Year		Method	Life	Current Year	Net Investment	Adjusted Net
Acquired		Cost	Basis	Depreciation	Depreciation					
3	5-SHELF UNITS									
	2/27/01 \$	380	\$	380	200DB		7	\$	\$	\$
	CANON COLOR PRINTER									
	5/31/02	332		332	S/L		5			
	OFFICE FIXTURE									
	4/30/02	201		201	S/L		5			
	VCR									
	12/03/02	261		261	S/L		5			
	KYOCERA SMART PHONE 7135 (VERIZON)									
	4/29/03	492		492	S/L		5			
	POLYCOM SOUND STATION									
	1/12/04	1,100		760	S/L		5			
	DELL COMPUTER									
	8/30/04	2,806		1,937	S/L		5			
	HP PRINTER									
	8/30/04	748		516	S/L		5			
	SLIDE SCANNER									
	8/30/04	1,100		759	S/L		5			
	TOSHIBA COMPUTER									
	12/23/03	3,399		2,347	S/L		5			
	SECURITY BUNDLE (LDCEC)									
	4/01/04	1,772		1,224	S/L		5			
	SERVER HARDWARE/SOFTWARE									
	4/01/04	4,771		3,294	S/L		5			
	XEROX PHASER 8400N COLOR PRINTER									
	5/06/04	1,390		960	S/L		5			
	COMPUTER MONITOR									
	8/23/04	534		369	S/L		5			
	PRINTER TROLLEY									
	12/03/03	337		205	S/L		7	24		
	EASEL									
	1/06/04	300		182	S/L		7	22		
	CHAIR & TABLE									
	3/16/04	1,314		800	S/L		7	94		
	FOLDING CHAIRS									
	4/07/11	931			S/L		7	66		
	SERVER									
	9/19/11	1,559			S/L		5			

## Federal Statements

## Statement 7 - Form 990-PF, Part I, Line 19 - Depreciation (continued)

Description		Date Acquired	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
MAC BOOK		9/08/11	\$ 949	\$	S/L	7	\$ 11	\$	
WATERPROOFING		12/09/10	118,018		S/L	39	2,396		
TOTAL			\$ 3,240,587	\$ 1,357,566			\$ 60,210	\$ 0	\$ 0

## Statement 8 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXPENSES	\$	\$	\$	
EDUCATION AND OUTREACH	43,313			43,313
ADVERTISING AND PUBLIC RELATI	18,398			18,398
TREATMENT AND RESEARCH	1,285			1,285
OFFICE EXPENSE	2,342			2,207
DUES	6,173			6,173
INSURANCE	9,007			10,604
REPAIRS AND MAINTENANCE	7,118			7,118
MISCELLANEOUS	322			322
WEBSITE/COMPUTER EXPENSE	5,393			5,393
FACILITY MANAGEMENT	40,123			37,561
SECURITY ALARM & MONITORING	3,520			6,220
SPONSORSHIP	3,000			3,000
TOTAL	\$ 139,994	\$ 0	\$ 0	\$ 141,594

## Federal Statements

Statement 9 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
STOCKS	\$ 1,384,689	\$ 1,201,204	COST	\$ 1,436,295
TOTAL	\$ 1,384,689	\$ 1,201,204		\$ 1,436,295

Statement 10 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
LAND BUILDINGS & EQUIPMENT	\$ 1,755,453	\$ 3,240,586	\$ 1,417,772	\$ 3,240,586
TOTAL	\$ 1,755,453	\$ 3,240,586	\$ 1,417,772	\$ 3,240,586

**Federal Statements****Statement 11 - Form 990-PF, Part II, Line 15 - Other Assets**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Fair Market Value</u>
FILM IN PRODUCTION	\$ <u>585,037</u>	\$ <u>621,073</u>	\$ <u>621,073</u>
TOTAL	\$ <u>585,037</u>	\$ <u>621,073</u>	\$ <u>621,073</u>

**Statement 12 - Form 990-PF, Part II, Line 22 - Other Liabilities**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
ACCRUED PAYROLL TAXES	\$ <u>664</u>	\$ <u>800</u>
TOTAL	\$ <u>664</u>	\$ <u>800</u>

## Federal Statements

Statement 13 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees,  
Etc.

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
LUCY DANIELS, PH.D 2636 TATTON DR RALEIGH NC 27608	CHAIRPERSON	3.00	0	0	0
LANNY TUCKER, JR MD 2005 N LAKESHORE DR CHAPEL HILL NC 27514	VICE CHAIR/S	1.00	0	0	0
ROBERT D DILL 12708 ALPERN CT RALEIGH NC 27614		0.50	0	0	0
SANDRA G HERSHBERG, MD 6317 KENHOWE DR BETHESDA MD 20817		0.50	0	0	0
MICHELE NATALE 809 SHADY LAWN RD CHAPEL HILL NC 27514		0.50	0	0	0
LUCY NOBLE INMAN 2627 NOBLE ROAD RALEIGH NC 27608-0629		1.50	0	0	0
KERRY SULKOWICZ, MD 151 EAST 80TH ST SUITE 1-B NEW YORK NY 10021		0.50	0	0	0
PAUL BRINCH 320 GLENDALE DRIVE CHAPEL HILL NC 27514-5914		0.50	0	0	0

**Depreciation and Amortization**  
(Including Information on Listed Property)

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

Name(s) shown on return

**LUCY DANIELS FOUNDATION**

Identifying number  
**58-1854794**

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 smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2009 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (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>77</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>57,737</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	
			27.5 yrs	MM	S/L	
i Nonresidential real property	<b>12/09/10</b>	<b>118,018</b>	39 yrs	MM	S/L	<b>2,396</b>
				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	<b>Total.</b> 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>60,210</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.**