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

2011

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

For calendar year 2011 or tax year beginning

, 2011, and ending

, 20

Name of foundation THE BERNARD AND BETTY HARDESTY aka CHARITABLE FOUNDATION INC		A Employer identification number 52-2284064			
		B Telephone number (see instructions) (410) 827-8437			
Number and street (or P O box number if mail is not delivered to street address) 334 GREENWOOD HALL FARM LANE		Room/suite			
City or town, state, and ZIP code GRASONVILLE, MD 21638		C If exemption application is pending, check here ► <input type="checkbox"/>			
G Check all that apply	Initial return	Initial return of a former public charity			
	Final return	Amended return			
	Address change	Name change			
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		D 1. Foreign organizations, check here ► <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation ► <input type="checkbox"/>			
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ► \$ 140,000		J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► <input type="checkbox"/>		
(Part I, column (d) must be on cash basis)		(Part I, column (d) must be on cash basis)			
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 instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received (attach schedule)		4,200			
2 Check ► <input type="checkbox"/> if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		1	1		
4 Dividends and interest from securities		3,807	3,807		
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		(2,017)			
b Gross sales price for all assets on line 6a	71,067				
7 Capital gain net income (from Part IV, line 2)					
8 Net short-term capital gain				19	
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)					
12 Total. Add lines 1 through 11		5,991	3,808	19	
13 Compensation of officers, directors, trustees, etc.					
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees (attach schedule)					
b Accounting fees (attach schedule)					
c Other professional fees (attach schedule)	STM109	1,332	1,332		RECEIVED
17 Interest					
18 Taxes (attach schedule) (see instructions)					
19 Depreciation (attach schedule) and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses (attach schedule)					
24 Total operating and administrative expenses.					
Add lines 13 through 23		1,332	1,332	0	
25 Contributions, gifts, grants paid		0		0	
26 Total expenses and disbursements. Add lines 24 and 25.		1,332	1,332	0	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements		4,659			
b Net investment income (if negative, enter -0-)			2,476		
c Adjusted net income (if negative, enter -0-)				19	

20

Part II	Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
A s s e t s	1 Cash - non-interest-bearing	128,411	133,070	140,000	
	2 Savings and temporary cash investments				
	3 Accounts receivable ►				
	Less allowance for doubtful accounts ►				
	4 Pledges receivable ►				
	Less allowance for doubtful accounts ►				
	5 Grants receivable				
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)				
	7 Other notes and loans receivable (attach schedule) ►				
	Less allowance for doubtful accounts ►				
	8 Inventories for sale or use				
	9 Prepaid expenses and deferred charges				
	10a Investments - U S and state government obligations (attach schedule)				
	b Investments - corporate stock (attach schedule)				
	c Investments - corporate bonds (attach schedule)				
	11 Investments - land, buildings, and equipment basis ►				
Less accumulated depreciation (attach schedule) ►					
12 Investments - mortgage loans					
13 Investments - other (attach schedule)					
14 Land, buildings, and equipment basis ►					
Less accumulated depreciation (attach schedule) ►					
15 Other assets (describe ►)					
16 Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)	128,411	133,070	140,000		
L i a b i l i t i e s	17 Accounts payable and accrued expenses				
	18 Grants payable				
	19 Deferred revenue				
	20 Loans from officers, directors, trustees, and other disqualified persons				
	21 Mortgages and other notes payable (attach schedule)				
	22 Other liabilities (describe ►)				
	23 Total liabilities (add lines 17 through 22)	0	0		
N F e u n d A s s e t a s n c o e r s	Foundations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24 Unrestricted	128,411	133,070		
	25 Temporarily restricted				
	26 Permanently restricted				
	Foundations that do not follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 27 through 31.				
	27 Capital stock, trust principal, or current funds				
	28 Paid-in or capital surplus, or land, bldg , and equipment fund				
	29 Retained earnings, accumulated income, endowment, or other funds				
	30 Total net assets or fund balances (see instructions)	128,411	133,070		
	31 Total liabilities and net assets/fund balances (see instructions)	128,411	133,070		

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	128,411
2 Enter amount from Part I, line 27a.	2	4,659
3 Other increases not included in line 2 (itemize) ►	3	
4 Add lines 1, 2, and 3	4	133,070
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	133,070

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 (yr, mo, day)	(d) Date sold (yr, mo, day)
1a See STM~134					
b					
c					
d					
e					
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)		
a 71,067		73,084	(2,017)		
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) 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					(2,017)
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	(2,017)	
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 instructions) If (loss), enter -0- in Part I, line 8			3	19	

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 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))
2010	2,476	90,620	0.027323
2009	2,700	90,620	0.029795
2008	11,400	90,620	0.1258
2007	10,913	90,620	0.120426
2006			
2 Total of line 1, column (d)		2	0.303344
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years		3	0.060669
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5		4	131,005
5 Multiply line 4 by line 3		5	7,948
6 Enter 1% of net investment income (1% of Part I, line 27b)		6	25
7 Add lines 5 and 6		7	7,973
8 Enter qualifying distributions from Part XII, line 4		8	8,620
If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions			

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter "N/A" on line 1.		
	Date of ruling or determination letter _____ (attach copy of letter if necessary-see instructions)	1	25
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		
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	0
3	Add lines 1 and 2	3	25
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	0
5	Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-	5	25
6	Credits/Payments		
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a	
b	Exempt foreign organizations - tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments Add lines 6a through 6d	7	
8	Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached.	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	25
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11	Enter the amount of line 10 to be Credited to 2012 estimated tax ►	Refunded	► 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?	Yes	No
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	X	
1c	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		
2	Has the foundation engaged in any activities that have not previously been reported to the IRS?	X	
3	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	X	
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	X	
4b	If "Yes," has it filed a tax return on Form 990-T for this year?		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year?	X	
6	If "Yes," attach the statement required by General Instruction T		
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either		
	● By language in the governing instrument, or		
	● By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?		
7	Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV		
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ►		
	MD		
8b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? If "Yes," complete Part XIV		
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	X	

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	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 ► BERNARD O HARDESTY JR	Telephone no ►	410-827-8437	
Located at ► 334 GREENWOOD HALL FARM LANE GRASONVILLE, MD		ZIP+4 ►	21638	
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 2011, 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 the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ►	16	Yes	No X

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?		<input type="checkbox"/> Yes	X No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?		<input type="checkbox"/> Yes	X No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?		<input type="checkbox"/> Yes	X No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?		<input type="checkbox"/> Yes	X 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	X 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	X 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 instructions)? Organizations relying on a current notice regarding disaster assistance check here ►	1b	
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	1c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? If "Yes," list the years ►	<input type="checkbox"/> Yes	X 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 instructions)	2b	X
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ►		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	X No
b	If "Yes," did it have excess business holdings in 2011 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 2011.)	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?	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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(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 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 any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>				
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?	<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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
				7b	

Part VIII | Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation (see 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
BERNARD O HARDESTY JR 334 GREENWOOD HALL FARM LANE, MD 21638	PRESIDENT 0	STMA01 0	0	0
BRENDA HARDESTY 334 GREENWOOD HALL FARM LANE, MD 21638	VP 0	0	0	0
KELLY PHIPPS 334 GREENWOOD HALL FARM LANE, MD 21638	VP 0	0	0	0

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

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 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
1 DONATIONS TO 501 C(3) ORGANIZATIONS	
	8,620
2	
3	
4	

Part IX-B **Summary of Program-Related Investments (see instructions)**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments. See instructions	
3	
Total. Add lines 1 through 3 ►	

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	130,000
b	Average of monthly cash balances	1b	3,000
c	Fair market value of all other assets (see instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	133,000
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	133,000
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	1,995
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	131,005
6	Minimum investment return. Enter 5% of line 5	6	6,550

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

1	Minimum investment return from Part X, line 6	1	6,550
2a	Tax on investment income for 2011 from Part VI, line 5	2a	25
b	Income tax for 2011 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	25
3	Distributable amount before adjustments Subtract line 2c from line 1	3	6,525
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	6,525
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	6,525

Part XII **Qualifying Distributions** (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc - total from Part I, column (d), line 26	1a	0
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	8,620
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4.	4	8,620
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 instructions)	5	25
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	8,595

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				6,525
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only				
b Total for prior years				
3 Excess distributions carryover, if any, to 2011				
a From 2006				
b From 2007				
c From 2008	6,910			
d From 2009				
e From 2010				
f Total of lines 3a through e	6,910			
4 Qualifying distributions for 2011 from Part XII, line 4 ► \$ 8,620				
a Applied to 2010, but not more than line 2a				
b Applied to undistributed income of prior years (Election required - see instructions)				
c Treated as distributions out of corpus (Election required - see instructions)				
d Applied to 2011 distributable amount				6,525
e Remaining amount distributed out of corpus	2,095			
5 Excess distributions carryover applied to 2011 (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 .	9,005			
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 instructions				
e Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount - see instructions				
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions) . . .				
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions) . . .				
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	9,005			
10 Analysis of line 9				
a Excess from 2007				
b Excess from 2008	6,910			
c Excess from 2009				
d Excess from 2010				
e Excess from 2011	2,095			

Part XIV. Private Operating Foundations (see 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 2011, enter the date of the ruling				► <input type="checkbox"/>		
b	Check box to indicate whether the foundation is a private operating foundation described in section				<input type="checkbox"/>	4942(j)(3) or	4942(j)(5)
2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed						
b	85% of line 2a						
c	Qualifying distributions from Part XII, line 4 for each year listed						
d	Amounts included in line 2c not used directly for active conduct of exempt activities						
e	Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c						
3	Complete 3a, b, or c for the alternative test relied upon						
a	"Assets" alternative test - enter						
(1)	Value of all assets						
(2)	Value of assets qualifying under section 4942(j)(3)(B)(i)						
b	"Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed						
c	"Support" alternative test - enter						
(1)	Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)						
(2)	Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)						
(3)	Largest amount of support from an exempt organization						
(4)	Gross investment income						

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

BERNARD AND BRENDA HARDESTY,

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

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

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

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

990APP

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

c Any submission deadlines

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

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
QUEEN ANNE COUNTY MENTALHEALTH PO BOX 183 Queenstown MD 21658	NONE	NONE	CHARITY	1,150
HOSPICE OF QUEEN ANNES INC 255 COMET DR Centreville MD 21617	NONE	NONE	CHARITY	720
MARINE CORPS SCHOLARSHIP FOUND PO BOX 10283 Uniondale NY 11555	NONE	NONE	CHARITY	500
GRASONVILLE VOL FIRE DEPT INC PO BOX 457 Grasonville MD 21638	NONE	NONE	CHARITY	250
CASA OF QUEEN ANNES COUNTY 105 N LIBERTY ST 5 Centreville MD 21617	NONE	NONE	CHARITY	250
THE CHILDRENS HOME FOUNDATION PO BOX 756 Easton MD 21601	NONE	NONE	CHARITY	250
QUEEN ANNES CO CHRISTIAN ASSIT PO BOX 44 Chester MD 21619	NONE	NONE	CHARITY	250
FOUNDATION FOR COMMUNITY PARTN 102 CHESTER VILLAGE Chester MD 21619	NONE	NONE	CHARITY	250
Total			► 3a	
b Approved for future payment				
GUNSTON SCHOOL PO BOX 200 Centreville MD 21617	NONE	NONE	CHARITY	500
SAINT PAULS PARISH PO BOX 278 Centreville MD 21617	NONE	NONE	CHARITY	1,000
AMERICAN DIABETES ASSOC PO BOX 1834 Merrifield VA 22116	NONE	NONE	CHARITY	500
GRASONVILLE VOL AMBULANCE DEPT PO BOX 200 Grasonville MD 21638	NONE	NONE	CHARITY	250
Total			► 3b	

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
BOSOM BUDDIES CHARITIES PO BOX 112 Stevensville MD 21666	NONE	NONE	CHARITY	1,000
Total				► 3a
b Approved for future payment				
INDIAN CREEK SCHOOL 680 EVERGREEN RD Crownsville MD 21032	NONE	NONE	CHARITY	250
CROSSROADS COMMUNITY INC PO BOX 718 Centreville MD 21617	NONE	NONE	CHARITY	250
SMILE TRAIN PO BOX 96208 Washington DC 20090	NONE	NONE	CHARITY	250
ADKINS ARBORETUM PO BOX 100 Ridgely MD 21660	NONE	NONE	CHARITY	500
Total				► 3b

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
Total				► 3a 4,620
b Approved for future payment GUNSTON DAY SCHOOL PO BOX 200 Centreville MD 21617	NONE	NONE	CHARITY	500
Total				► 3b 4,000

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

1 Program service revenue.

a _____
 b _____
 c _____
 d _____
 e _____
 f _____
 g Fees and contracts from government agencies

2 Membership dues and assessments

3 Interest on savings and temporary cash investments

4 Dividends and interest from securities

5 Net rental income or (loss) from real estate.

a Debt-financed property
 b Not debt-financed property

6 Net rental income or (loss) from personal property

7 Other investment income

8 Gain or (loss) from sales of assets other than inventory

9 Net income or (loss) from special events

10 Gross profit or (loss) from sales of inventory

11 Other revenue a _____

b _____
 c _____
 d _____
 e _____

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

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

(See worksheet in line 13 instructions to verify calculations)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions)
3	NO ACTIVITIES CARRIED ON. FUNDS WERE USED TO MAKE CONTRIBUTIONS TO 501 C 3 ORGANIZATIONS

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

		Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
a	Transfers from the reporting foundation to a noncharitable exempt organization of		
(1)	Cash	1a(1)	X
(2)	Other assets	1a(2)	X
b	Other transactions		
(1)	Sales of assets to a noncharitable exempt organization	1b(1)	X
(2)	Purchases of assets from a noncharitable exempt organization	1b(2)	X
(3)	Rental of facilities, equipment, or other assets	1b(3)	X
(4)	Reimbursement arrangements	1b(4)	X
(5)	Loans or loan guarantees	1b(5)	X
(6)	Performance of services or membership or fundraising solicitations	1b(6)	X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	X
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received		

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

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

**Sign
Here**

► Bernard D. Hardisty 5-18-12
Signature of officer or trustee Date

PRESIDENT

May the IRS discuss this return
with the preparer shown below
(see inst.)? Yes No

Paid Preparer Use Only	Print/Type preparer's name Herbert Hansen	Preparer's signature 	Date 05-17-2012	Check <input type="checkbox"/> if self-employed	PTIN PO1241604
	Firm's name ► Hansen Accounting & Tax Associates	Firm's EIN ► 20-8247265			
	Firm's address ► 108 Old Solomons Island Rd L3 Annapolis MD 21401	Phone no 410-573-1521			

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

OMB No 1545-0047

► Attach to Form 990, Form 990-EZ, or Form 990-PF.

2011**Name of the organization****THE BERNARD AND BETTY HARDESTY****Employer identification number****52-2284064****Organization type (check one)****Filers of:****Section:**

Form 990 or 990-EZ

 501(c)() (enter number) organization 4947(a)(1) nonexempt charitable trust not treated as a private foundation 527 political organization

Form 990-PF

 501(c)(3) exempt private foundation 4947(a)(1) nonexempt charitable trust treated as a private foundation 501(c)(3) taxable private foundation**Check if your organization is covered by the General Rule or a Special Rule.****Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions**General Rule** For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor Complete Parts I and II**Special Rules** For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1 Complete Parts I and II For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals Complete Parts I, II, and III For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use exclusively for religious, charitable, etc, purposes, but these contributions did not total to more than \$1,000 If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc, purpose Do not complete any of the parts unless the General Rule applies to this organization because it received nonexclusively religious, charitable, etc, contributions of \$5,000 or more during the year ► \$ _____**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it must answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ or on Part I, line 2, of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization

THE BERNARD AND BETTY HARDESTY

Employer identification number

52-2284064

Part I

Contributors (see instructions) Use duplicate copies of Part I if additional space is needed

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	BERNARD O HARDESTY JR 334 GREENWOOD HALL FARM Grasonville, MD 21638	\$ 8,620	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Federal Supporting Statements

2011 PG01

FEIN

Name(s) as shown on return

THE BERNARD AND BETTY HARDESTY

52-2284064

**Form 990PF, Part VIII
Compensation Explanation**

Name

BERNARD O HARDESTY JR

Explanation

NONE

Federal Supporting Statements

Name(s) as shown on return
THE BERNARD AND BETTY HARDSTY

2011 PG 01
Your Social Security Number
52-2224064

Form 990PF, Part I, Line 16(c) - Other Professional Fees Schedule

Description	Revenue and expenses	Net investment	Adjusted net income	Charitable purpose
INVESTMENT FEES	<u>1,332</u>	<u>1,332</u>	<u>0</u>	<u>0</u>
Totals	<u>1,332</u>	<u>1,332</u>	<u>0</u>	<u>0</u>

Statement #109

Form 990-PF, Part IV, Capital Gains And Losses Information (Overflow)

P-Purchase		D-Donation		Date Acquired		Date Sold		Sales Price		Depreciation		Cost or other basis		Gain or Loss		Gains Minus Excess or Losses	
MFS INTL DIVERS	P	2011-11-07		2011-11-21		147		188		(41)		(41)		(41)		60	
MFS VALUE	P	2011-07-01		2011-11-21		334		274		60		60		60			
FID ADV MID CAP	P	2009-07-01		2011-11-21		10,734		12,010		(1,276)		(1,276)		(1,276)			
MFS INTL DIVERS	P	2010-09-01		2011-11-21		20,242		25,815		(5,573)		(5,573)		(5,573)			
MFS VALUE	P	2009-07-01		2011-11-21		21,610		17,755		3,855		3,855		3,855			
PIMCO TOTAL RETURN	P	2009-07-01		2011-05-20		18,000		17,042		958		958		958			
Total						71,067		73,084		(2,017)		(2,017)		(2,017)		(2,017)	

Statement #134

Federal Supporting Statements**2011 PG 01**

Your Social Security Number

Name(s) as shown on return

THE BERNARD AND BETTY HARDESTY52-2284064**Form 990PF, Part XV, Line 2
Application Submission Information****990APP****Grant Program****Applicant Name**

BERNARD O HARDESTY

Address

324 GREENWOOD FARM LANE

GRASONVILLE

MD 21638

Telephone

410-827-8113

Form & Content

WRITTEN REQUEST

Submission Deadline

NONE

Restrictions on Award

NONE

990**Overflow Statement****2011**
Page 1

Name(s) as shown on return

FEIN

THE BERNARD AND BETTY HARDESTY

52-2284064

CONTRIBUTIONS RECEIVED

Description	Amount
FROM BERNARD AND BETTY HARDESTY	\$ 4,200
Total:	<u>\$ 4,200</u>

Application for Extension of Time To File an Exempt Organization Return

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

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

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

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

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

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

Part I only ►

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

Enter filer's identifying number, see instructions

Type or print File by the due date for filing your return See instructions	Name of exempt organization or other filer, see instructions. THE BERNARD AND BETTY HARDESTY	Employer identification number (EIN) or <input checked="" type="checkbox"/> 52-2284064
	Number, street, and room or suite no. If a PO box, see instructions 334 GREENWOOD HALL FARM LANE	Social security number (SSN) <input type="checkbox"/>
	City, town or post office, state, and ZIP code For a foreign address, see instructions GRASONVILLE, MD 21638	

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

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

• The books are in the care of **► BERNARD O HARDESTY JR 334 GREENWOOD HALL FARM, MD 21638**

Telephone No ► 410-827-8437

FAX No ►

- If the organization does not have an office or place of business in the United States, check this box ►
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) If this is for the whole group, check this box ► If it is for part of the group, check this box ► and attach a list with the names and EINs of all members the extension is for

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 08-15, 20 12, to file the exempt organization return for the organization named above. The extension is for the organization's return for
► calendar year 20 11 or

► tax year beginning _____, 20_____, and ending _____, 20_____.
2 If the tax year entered in line 1 is for less than 12 months, check reason Initial return Final return
 Change in accounting period

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

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

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

EEA

Form 8868 (Rev. 1-2012)