Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2012

Open to Public Inspection

For calendar year 2012 or tax year beginning , and ending

Name of foundation: The Harold H. Bate Foundation, Inc.

A Employer identification number: 56-2121302

Number and street (or P O box number if mail is not delivered to street address): PO Box 14298

Room/suite:

B Telephone number (see instructions): 252-638-1998

City or town, state, and ZIP code: New Bern NC 28561

C If exemption application is pending, check here ▶ ☐

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity
☐ Final return ☐ Amended return
☐ Address change ☐ Name change

D 1 Foreign organizations, check here ▶ ☐

2 Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

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

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ $ 32,044,995

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

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

	Part I **Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see 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 ▶ ☒ if the foundation is **not** required to attach Sch B				
3	Interest on savings and temporary cash investments	2,528	2,528		
4	Dividends and interest from securities	703,310	703,310		
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	324,590			
b	Gross sales price for all assets on line 6a 7,539,857				
7	Capital gain net income (from Part IV, line 2)		324,590		
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) Stmt 1	1,871	1,871		
12	**Total.** Add lines 1 through 11	1,032,299	1,032,299	0	
Operating and Administrative Expenses 13	Compensation of officers, directors, trustees, etc	55,000	5,500		44,000
14	Other employee salaries and wages	43,298			32,474
15	Pension plans, employee benefits	12,012			9,009
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule) Stmt 2	8,592	2,835		2,921
c	Other professional fees (attach schedule) Stmt 3	228,786	228,786		
17	Interest				
18	Taxes (attach schedule) (see instructions) Stmt 4	24,933	9,214		
19	Depreciation (attach schedule) and depletion Stmt 5	2,135			
20	Occupancy	18,936			14,202
21	Travel, conferences, and meetings	2,700			2,700
22	Printing and publications				
23	Other expenses (att. sch) Stmt 6	22,146			19,322
24	**Total operating and administrative expenses.** Add lines 13 through 23	418,538	246,335	0	124,628
25	Contributions, gifts, grants paid	1,225,400			1,225,400
26	**Total expenses and disbursements.** Add lines 24 and 25	1,643,938	246,335	0	1,350,028
27	Subtract line 26 from line 12.				
a	**Excess of revenue over expenses and disbursements**	-611,639			
b	**Net investment income** (if negative, enter -0-)		785,964		
c	**Adjusted net income** (if negative, enter -0-)			0	

For Paperwork Reduction Act Notice, see instructions.

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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
Assets	1	Cash – non-interest-bearing	86,282	128,744	128,744
	2	Savings and temporary cash investments	3,174,989	1,480,281	1,480,281
	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 (att. schedule) ▶ Less: allowance for doubtful accounts ▶ 0			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges	50,025	34,478	34,478
	10a	Investments – U S and state government obligations (attach schedule)			
	b	Investments – corporate stock (attach schedule) See Stmt 7	20,908,812	20,374,550	21,952,499
	c	Investments – corporate bonds (attach schedule) See Stmt 8	6,612,185	7,968,212	8,172,034
	11	Investments – land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶			
	12	Investments – mortgage loans			
	13	Investments – other (attach schedule)			
	14	Land, buildings, and equipment. basis ▶ 35,074 Less accumulated depreciation (attach sch) ▶ Stmt 9 26,092	11,116	8,982	
	15	Other assets (describe ▶ See Statement 10)	40,436	276,959	276,959
	16	**Total assets** (to be completed by all filers – see the instructions. Also, see page 1, item I)	30,883,845	30,272,206	32,044,995
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶ See Statement 11)	1,314	1,314	
	23	**Total liabilities** (add lines 17 through 22)	1,314	1,314	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☒ 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	30,882,531	30,270,892	
	30	**Total net assets or fund balances**(see instructions)	30,882,531	30,270,892	
	31	**Total liabilities and net assets/fund balances**(see instructions)	30,883,845	30,272,206	

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	30,882,531
2	Enter amount from Part I, line 27a	2	-611,639
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	30,270,892
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	30,270,892

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P – Purchase D – Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a	See Worksheet			
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				
b				
c				
d				
e				

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				
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	324,590
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	-8,349

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))
2011	1,563,556	32,248,401	0.048485
2010	1,549,932	30,120,170	0.051458
2009	1,772,600	27,760,588	0.063853
2008	1,894,594	34,073,732	0.055603
2007	1,883,947	36,474,743	0.051651

2	**Total** of line 1, column (d)	2	0.271050
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	0.054210
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	30,741,467
5	Multiply line 4 by line 3	5	1,666,495
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	7,860
7	Add lines 5 and 6	7	1,674,355
8	Enter qualifying distributions from Part XII, line 4	8	1,350,028

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: (attach copy of letter if necessary—see instructions)				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b			1	15,719
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	15,719
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	15,719
6	Credits/Payments:				
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	50,197		
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	50,197
8	Enter any **penalty** for underpayment of estimated tax Check here ☒ if Form 2220 is attached			8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	34,478
11	Enter the amount of line 10 to be **Credited to 2013 estimated tax** ▶ 34,478 **Refunded** ▶			11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	1b		X
	If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ ______ **(2)** On foundation managers. ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ______			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ NC			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities (continued)

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

14 The books are in care of ▶ William O. Austin, CPA Telephone no ▶ 252-633-5821

3105 Trent Rd

Located at ▶ New Bern NC ZIP+4 ▶ 28562

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

			Yes	No
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16	X	
	See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ▶ Bermuda			

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

				Yes	No
1a	During the year did the foundation (either directly or indirectly):				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?	N/A	1c		
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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012?	☐ Yes ☒ No			
	If "Yes," list the years ▶ 20 , 20 , 20 , 20				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement – see instructions.)	N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ 20 , 20 , 20 , 20				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2012 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 2012)	N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?		4b		X

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)? N/A **5b**

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** No: X

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? N/A **7b**

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

1 List all officers, directors, trustees, foundation managers and their compensation (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
See Statement 12				

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
Joyce Hendricks New Bern PO Box 14298 NC 28561	Operations D 40.00	43,298	8,700	2,400

Total number of other employees paid over $50,000 ▶ 0

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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
Morgan Stanly Financial Advisors Chapel Hill 100 Europa Drive, Ste 201 NC 27517	Investment Mang	121,818
Total number of others receiving over $50,000 for professional services ▶		0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 N/A	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments See 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	31,078,444
b	Average of monthly cash balances			1b	131,167
c	Fair market value of all other assets (see instructions)			1c	0
d	**Total** (add lines 1a, b, and c)			1d	31,209,611
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0		
2	Acquisition indebtedness applicable to line 1 assets			2	0
3	Subtract line 2 from line 1d			3	31,209,611
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)			4	468,144
5	**Net value of noncharitable-use assets.**Subtract line 4 from line 3 Enter here and on Part V, line 4			5	30,741,467
6	**Minimum investment return.**Enter 5% of line 5			6	1,537,073

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

1	Minimum investment return from Part X, line 6			1	1,537,073
2a	Tax on investment income for 2012 from Part VI, line 5	2a	15,719		
b	Income tax for 2012 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	15,719
3	Distributable amount before adjustments Subtract line 2c from line 1			3	1,521,354
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	1,521,354
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	1,521,354

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	1,350,028
b	Program-related investments – total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.**Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	1,350,028
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	0
6	**Adjusted qualifying distributions**Subtract line 5 from line 4	6	1,350,028

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 2011	(c) 2011	(d) 2012
1	Distributable amount for 2012 from Part XI, line 7				1,521,354
2	Undistributed income, if any, as of the end of 2012				
a	Enter amount for 2011 only			967,283	
b	Total for prior years. 20_____ , 20_____ , 20_____				
3	Excess distributions carryover, if any, to 2012:				
a	From 2007				
b	From 2008				
c	From 2009				
d	From 2010				
e	From 2011				
f	**Total** of lines 3a through e				
4	Qualifying distributions for 2012 from Part XII, line 4 ▶ $ 1,350,028				
a	Applied to 2011, but not more than line 2a			967,283	
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 2012 distributable amount				382,745
e	Remaining amount distributed out of corpus				
5	Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6	**Enter the net total of each column as indicated below:**				
a	Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
b	Prior years' undistributed income. Subtract line 4b from line 2b				
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d	Subtract line 6c from line 6b. Taxable amount – see instructions				
e	Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount – see instructions				
f	Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				1,138,609
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 2007 not applied on line 5 or line 7 (see instructions)				
9	**Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a				
10	Analysis of line 9				
a	Excess from 2008				
b	Excess from 2009				
c	Excess from 2010				
d	Excess from 2011				
e	Excess from 2012				

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 2012, 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) 2012	(b) 2011	(c) 2010	(d) 2009	
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).)

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 instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

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

The Harold H. Bate Foundation 252-638-1998
PO Box 14298 New Bern NC 28561

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

See Statement 13

c Any submission deadlines

May 15 and October 1 of each year

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

See Statement 14

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year See Statement 15				1,225,400
Total			▶ 3a	1,225,400
b Approved for future payment N/A				
Total			▶ 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
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					2,528
4 Dividends and interest from securities					703,310
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					1,871
8 Gain or (loss) from sales of assets other than inventory					324,590
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0		0	1,032,299

13 **Total.** Add line 12, columns (b), (d), and (e) 13 1,032,299

(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)
N/A	

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

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

d If the answer to any of the above is "Yes," complete the following schedule Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received

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

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule.

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

Sign Here

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

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

8/5/13 PRESIDENT

Signature of officer or trustee | Date | Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed
William O. Austin, CPA		7.1.13	

Firm's name ▶ Carr, Riggs & Ingram , LLC — PTIN P00620584

Firm's address ▶ P. O. Box 1547
New Bern, NC 28563-1547 — Firm's EIN ▶ 72-1396621

Phone no 252-633-5821

Form **990-PF**

Capital Gains and Losses for Tax on Investment Income

2012

For calendar year 2012, or tax year beginning , and ending

Name: The Harold H. Bate Foundation, Inc.

Employer Identification Number: 56-2121302

	(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)
(1)	199.00 Ishares S&P Small Cap	P	08/19/25	08/31/03
(2)	221.00 Ishares Small Cap 600 Growth	P	08/19/25	08/31/03
(3)	184.00 Ishares S&P Mid Cap 400	P	08/29/11	08/24/12
(4)	374.00 Ishares S&P Mid Cap 400 Value	P	08/29/11	08/24/12
(5)	8,339.00 Ishares TR MSCI Small Cap	P	08/29/11	08/24/12
(6)	19,201.00 ISHRS MSCI UNTD Kingdom	P	08/29/11	08/24/12
(7)	20,697.00 ISHRS MSCI UNTD Kingdom	P	10/07/11	08/24/12
(8)	15,911 Vanguard MSCI Emerging Mrkts	P	08/29/11	01/23/12
(9)	25,234 Vanguard MSCI Emerging Mrkts	P	08/29/11	08/24/12
(10)	2,233.00 Ishares MSCI Canada Index	P	08/29/11	11/09/12
(11)	1,612.00 Ishares MSCI Ex-JPN Index	P	08/29/11	11/09/12
(12)	542.00Ishares S&P Mid Cap 400 Growth	P	08/29/11	11/09/12
(13)	732.00 Ishares S&P Mid Cap 400 Value	P	08/29/11	11/09/12
(14)	5,192.00 Ishares S&P 500 Growth	P	08/29/11	10/10/12
(15)	5,755.00 Ishares S&P 500 Growth	P	08/29/11	11/09/12

	(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)
(1)	15,182		15,222	-40
(2)	17,731		18,152	-421
(3)	20,257		18,202	2,055
(4)	31,202		27,606	3,596
(5)	310,579		322,358	-11,779
(6)	328,138		311,191	16,947
(7)	353,704		320,433	33,271
(8)	666,803		681,747	-14,944
(9)	1,033,561		1,081,214	-47,653
(10)	62,391		65,419	-3,028
(11)	73,430		71,037	2,393
(12)	59,732		53,616	6,116
(13)	61,443		54,030	7,413
(14)	399,983		337,787	62,196
(15)	427,779		374,416	53,363

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
(1)				-40
(2)				-421
(3)				2,055
(4)				3,596
(5)				-11,779
(6)				16,947
(7)				33,271
(8)				-14,944
(9)				-47,653
(10)				-3,028
(11)				2,393
(12)				6,116
(13)				7,413
(14)				62,196
(15)				53,363

Form **990-PF**	**Capital Gains and Losses for Tax on Investment Income** For calendar year 2012, or tax year beginning , and ending	**2012**

Name	Employer Identification Number
The Harold H. Bate Foundation, Inc.	56-2121302

	(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)
(1)	1,917.00 Ishares S&P Small Cap	P	08/29/11	10/10/12
(2)	2,780.00 Ishares S&P Small Cap	P	08/29/11	11/09/12
(3)	394.00 Ishares S&P Small Cap	P	10/07/11	11/09/12
(4)	3,036.00 Ishares S&P 500 Value	P	08/29/11	10/10/12
(5)	7,734.00 Ishares S&P 500 Value	P	08/29/11	11/09/12
(6)	2,075 Ishares Small Cap 600 Growth	P	08/29/11	10/10/12
(7)	2,558 Ishares Small Cap 600 Growth	P	08/29/11	11/09/12
(8)	6,486.00 Ishares Barclays 1-3 year	P	08/26/11	08/24/12
(9)	1,949.944 Templeton Global Bond Fund	P	08/26/11	08/24/12
(10)	379. Vanguard Intermediate Term Bond	P	08/26/11	08/24/12
(11)	714.00 Ishares Barclays 1-3 year	P	08/26/11	11/09/12
(12)	6,196.00 Ishares Barclays 1-3 year	P	10/07/11	11/09/12
(13)	2,148.00 Ishares Barclays 1-3 year	P	10/28/11	11/09/12
(14)	1,381.00 Ishares IBOXX $ H/Y	P	08/26/11	11/09/12
(15)	7,022.015 Pioneer Global High Yield	P	08/26/11	11/09/12

	(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)
(1)	149,951		126,307	23,644
(2)	212,089		183,168	28,921
(3)	30,059		23,891	6,168
(4)	199,946		168,923	31,023
(5)	496,874		430,320	66,554
(6)	169,881		147,306	22,575
(7)	205,235		181,594	23,641
(8)	547,601		549,494	-1,893
(9)	25,642		26,709	-1,067
(10)	33,875		33,217	658
(11)	60,275		60,490	-215
(12)	523,055		523,128	-73
(13)	181,330		181,431	-101
(14)	126,352		118,464	7,888
(15)	69,588		68,394	1,194

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			**(l)** Gains (Col (h) gain minus col (k), but not less than -0-)**or** Losses (from col (h))
	(i) F M V as of 12/31/69	**(j)** Adjusted basis as of 12/31/69	**(k)** Excess of col (i) over col (j), if any	
(1)				23,644
(2)				28,921
(3)				6,168
(4)				31,023
(5)				66,554
(6)				22,575
(7)				23,641
(8)				-1,893
(9)				-1,067
(10)				658
(11)				-215
(12)				-73
(13)				-101
(14)				7,888
(15)				1,194

Form **990-PF**

Capital Gains and Losses for Tax on Investment Income

For calendar year 2012, or tax year beginning , and ending

2012

Name

The Harold H. Bate Foundation, Inc.

Employer Identification Number

56-2121302

	(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)
(1)	310.00 Ishares Barclays TIPS	P	08/26/11	11/30/12
(2)	5,389.081 Nuveen Real Estate Sec Fnd	P	08/26/11	11/30/12
(3)	11,085.772 REMS Real Est Val Opport	P	08/26/11	11/30/12
(4)	BHM K-1	P	Various	Various
(5)	Orion K-1	P	Various	Various
(6)	Skybridge Multi-Adsr rights	P	Various	Various
(7)	Templeton Global - rights	P	Various	01/31/12
(8)	Keen Fund	P	Various	Various
(9)	Hatteras Fund	P	Various	Various
(10)	Nuveen Real Estate rights	P	Various	Various
(11)	ACL K-1	P	Various	Various
(12)	Investments			
(13)				
(14)				
(15)				

	(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)
(1)	38,120		35,599	2,521
(2)	114,410		97,552	16,858
(3)	152,319		119,418	32,901
(4)			8,239	-8,239
(5)			12,316	-12,316
(6)	12,849			12,849
(7)	72			72
(8)	38,026		43,848	-5,822
(9)	235,601		224,410	11,191
(10)	85			85
(11)			98,619	-98,619
(12)	54,707			54,707
(13)				
(14)				
(15)				

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
(1)				2,521
(2)				16,858
(3)				32,901
(4)				-8,239
(5)				-12,316
(6)				12,849
(7)				72
(8)				-5,822
(9)				11,191
(10)				85
(11)				-98,619
(12)				54,707
(13)				
(14)				
(15)				

Statement 1 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
Miscellaneous Income	$ 1,871	$ 1,871	$
Total	$ 1,871	$ 1,871	$ 0

Statement 2 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Legal & Accounting	$ 8,592	$ 2,835	$	$ 2,921
Total	$ 8,592	$ 2,835	$ 0	$ 2,921

Statement 3 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Investment Management Fees	$ 228,786	$ 228,786	$	$
Total	$ 228,786	$ 228,786	$ 0	$ 0

Statement 4 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Federal Excise Tax	$ 15,719	$	$	$
Foreign Taxes	9,214	9,214		
Total	$ 24,933	$ 9,214	$ 0	$ 0

Statement 5 - Form 990-PF, Part I, Line 19 - Depreciation

Description							
Date Acquired	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income
Copier							
1/01/01	$ 6,466	$ 6,466	200DB	5	$	$	$
Grant Adm Software							
1/07/02	6,463	6,463		3			
Computer							
12/31/04	1,721	1,721	S/L	5			
Office Furniture - Branch's							
8/14/06	4,599	3,559	S/L	7	656		
Dell Computer							
10/04/07	2,236	1,901	S/L	5	335		
Printer							
3/05/07	696	672	S/L	5	24		
Lateral File							
3/17/07	587	398	S/L	7	84		
Oil Painting							
4/16/07	5,000			0			
Desk							
10/01/07	1,046	635	S/L	7	150		
Office Chair							
8/01/08	192	94	S/L	7	27		
Office Furniture							
7/13/09	3,032	1,083	S/L	7	433		
Equipment							
8/19/09	1,000	333	S/L	7	143		
Sign							
3/02/09	776	439	S/L	5	156		
Art Work							
5/18/10	974	154	S/L	10	98		
Printer							
8/02/10	288	41	S/L	10	29		
Total	$ 35,076	$ 23,959			$ 2,135	$ 0	$ 0

Statement 6 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	$	$	$	$
Expenses				
Banking Charges	33			33
Dues & Subscriptions	590			590
Insurance	3,173			2,538
Public Relations	9,440			9,440
Contract Labor	675			675
Utilities	3,444			2,583
Office Exp	4,791			3,463
Total	$ 22,146	$ 0	$ 0	$ 19,322

Statement 7 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
Hatteras Investment Partners	$ 224,410	$	Cost	$
Keen Phoenix Fund	43,848		Cost	
25,455.00 Vanguard MSCI Emerging Ma	2,844,715	1,081,754	Cost	1,133,511
29,593.00 Ishares S&P 500 Growth In	2,234,133	1,955,553	Cost	2,241,374
26,953.00 Ishares S&P 500 Value Ind	1,630,085	1,555,969	Cost	1,789,410
15,046.00 Ishares TR MSCI Small Cap	682,948	580,024	Cost	612,523
2,617.00 Ishares S&P Mid Cap 400 Gr	330,698	258,880	Cost	299,411
3,598.00 Ishares Small Cap 600 Grow	328,900	295,516	Cost	302,376
11,087.00 Ishares MSCI United Kingd	631,624	190,807	Cost	198,901
6,334.00 Ishares MSCI Pac Ex-Japan	345,451	274,414	Cost	298,585
3,435.00 Ishares S&P Mid Cap 400 Va	333,089	251,453	Cost	302,761
10,329.00 Ishares MSCI Canada Index	345,905	296,682	Cost	293,344
3,786.00 Ishares S&P Small Cap 600	333,366	289,609	Cost	306,325
6,150.00 Ishares Russell 1000 Growt		403,489	Cost	402,764
33,998.00 Vanguard European MSCI ET		1,534,644	Cost	1,660,462
16,415.00 Ishares MSCI Emerging MKT		675,970	Cost	728,005
26,821.000 Ishares IBOXX Invest Gr	2,977,500	3,024,372	Cost	3,245,073
6,979.000 Ishares Iboxx $ H/Y	565,456	619,142	Cost	651,490
27,762.238 Pioneer Global High Yield	251,226	269,234	Cost	279,566
711.170 Skybridge Multi-Adsr	744,000	756,849	Cost	894,403
Aurora Offshore Funds LTD	650,000	650,000	Cost	669,650
503.285 HPC Millennium Intl LT	550,000	550,000	Cost	579,291
464.607 HPC Starboard Value LT	450,000	450,000	Cost	505,734
460.363 MFC BHM A	382,661	351,683	Cost	351,681
147.397 MFF Orion A	409,977	388,322	Cost	388,432
MS PMF V Cayman LP	88,750	150,673	Cost	170,363
396.173 HPC OZ DP Offshore II	400,000	400,000	Cost	436,840
329.327 HPC Blackrock CL A	300,000	300,000	Cost	299,075
19,649.539 Rems Real Estate Val Oppo	325,582	215,732	Cost	279,809
13,027.283 Nuveen Real Estate Sec Fu	321,139	240,399	Cost	240,399
3,419.00 SPDR Series Trust DB Int	109,020	212,586	Cost	217,243
4,667.322 Prudential GLB Real Esata	81,312	84,645	Cost	101,281
5,377.102 ING Global Real Estate	81,240	83,163	Cost	97,057
18,581.701 Goldman Sach Infl Prtct S		219,251	Cost	211,274
ACL Alternative Fund	1,911,777	1,763,735	Cost	1,764,086
Total	$ 20,908,812	$ 20,374,550		$ 21,952,499

Statement 8 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
23,575.000 Vanguard intermediate Ter	$ 1,913,645	$ 2,066,426	Cost	$ 2,080,494
10,013.000 Ishares JP Morgan Em Bond	820,818	1,131,215	Cost	1,229,496
7.214.000 Ishares Barclays 1-3 Yr Bo	1,924,210	609,667	Cost	609,006
65,211.000 Powershares Int Corp Bond	783,912	1,855,874	Cost	1,930,898
70,370.423 Templeton Global Bond Fun	863,619	934,648	Cost	938,741
RS Low Duration Bond A		1,100,000	Cost	1,098,935
2,343.00 Ishares Barclays TIPS Bond	305,981	270,382	Cost	284,464
Total	$ 6,612,185	$ 7,968,212		$ 8,172,034

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

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
Computer equipment	$ 359	$ 4,652	$ 4,652	$
Furniture & equipment	10,757	17,493	8,511	
Copier		6,466	6,466	
Grant administration equip.		6,463	6,463	
Total	$ 11,116	$ 35,074	$ 26,092	$ 0

Statement 10 - Form 990-PF, Part II, Line 15 - Other Assets

Description	Beginning of Year	End of Year	Fair Market Value
ACL Depreciation Deposit	$ 38,769	$ 38,769	$ 38,769
Security Deposits	1,667	1,667	1,667
Construction in Process		236,523	236,523
Total	$ 40,436	$ 276,959	$ 276,959

Statement 11 - Form 990-PF, Part II, Line 22 - Other Liabilities

Description	Beginning of Year	End of Year
Payroll Liabilities	$ 1,314	$ 1,314
Total	$ 1,314	$ 1,314

Foreign Country in which Financial Account is Held

Foreign Country Code	Foreign Country Name
BD	Bermuda

Federal Statements

Statement 12 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees, Etc.

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
Berleen Burnette PO Box 14298 New Bern NC 28561	Board Member	3.00	9,000	0	50
Gary Baldree, Sr PO Box 14298 New Bern NC 28561	Board Member	3.00	9,000	0	50
Donald Brinkley PO Box 14298 New Bern NC 28561	Board Member	6.00	10,000	0	50
Robert Mattocks PO Box 14298 New Bern NC 28561	Board Member	3.00	9,000	0	50
Marvin Mullinix PO Box 14298 New Bern NC 28561	Board Member	3.00	9,000	0	50
Silas Seymour PO Box 14298 New Bern NC 28561	Board Member	3.00	9,000	0	50

Statement 13 - Form 990-PF, Part XV, Line 2b - Application Format and Required Contents

Description

GRANT APPLICATION (FOUR PAGES)
EXECUTIVE SUMMARY
COPY OF IRS TAX EXEMPTION LETTER
COPY OF RECENT FINACIAL STATEMENTS AND REPORTS
COPY OF RECENT FORM 990
COPY OF BUDGET FOR PERIOD WHICH INCLUDES THE PROPOSED PROJECT/ PROGRAM FUNDED BY GRANT REQUEST
LIST OF BOARD MEMBERS AND STAFF MEMBERS OF THE GRANT APPLICANT ORGANIZATION

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

Description

May 15 and October 1 of each year

Statement 14 - Form 990-PF, Part XV, Line 2d - Award Restrictions or Limitations

Description

GRANT APPLICANTS MUST APPLY FOR PROGRAMS OR CAPITAL PROJECTS THAT SERVE THE RESIDENTS OF CRAVEN, PAMLICO AND JONES COUNTIES OR BE CONNECTED WITH EAST CAROLINA UNIVERSITY IN SERVING EASTERN NORTH CAROLINA.

Statement 15 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year

Name	Address			
Address	Relationship	Status	Purpose	Amount
Catholic Charities New Bern NC 28563	PO Box 826		Senior Pharmacy	10,000
Religious Community Services New Bern NC 28563	PO Box 704		Rent & Utility assistance	20,000
MERCI Clinic New Bern NC 28560	1315 Tatum Dr		Pharmacy assistance program	10,000
Jones County Partners for Education Trenton NC 28585	PO Box 186		Mother read program	8,100
ECU Educational Foundation, Inc Greenville NC 27858	Ward Sports Medicine Buil		Sports Facility	200,000
Craven Arts Council & Gallery New Bern NC 28560	PO Box 596		Cultural arts programs	7,500
Craven Literacy Council New Bern NC 28562	2800 Neuse Blvd		Literacy program	10,000
Craven Community Chorus New Bern NC 28563	PO Box 13704		Holiday concert	3,500
Pamlico County Historical Associati Grantsboro NC 28529	PO Box 33		General operating	10,000
Tryon Palace Council of Friends New Bern NC 28563	PO Box 1007		Educational programs	7,500
Coastal Women's Shelter New Bern NC 28561	PO Box 13081		Womens shelter	7,500
Havelock Middle School Havelock NC 28532	102 High School Dr		Band Instruments	10,000
Heartworks Bayboro NC 28515	PO Box 365		Family advocacy programs	10,000
Interfaith Refugee Ministry New Bern NC 28562	1233 Colony Drive		Human services	10,000
The Mediation Center of Eastern Car New Bern NC 28563	PO Box 1184		Teen Court	7,500
New Bern Rotary Charitable Foundati New Bern NC 28563	PO Box 818		Exchange student and leadership trai	10,000
Pamlico Partnership for Children New Bern NC 28515	PO Box 612		Pre-school learning	10,000
Twin Rivers YMCA New Bern NC 28560	100 YMCA Lane		Debt Retirement	100,000
Camp Sea Gull / Seafarer Arapahoe NC 28510	218 Sea Gull Landing		Summer Youth Programs	12,000

Statement 15 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)

Name	Address			
Address	Relationship	Status	Purpose	Amount
East Carolina University Foundation Greenville NC 27858	2200 South Charles Blvd,		Distinguished Professorship	66,600
East Carolina University Foundation Greenville NC 27858	2200 South Charles Blvd,		Chancellor's Fund - College of Busin	35,000
American Heart Association Greensdoro NC 27409	101 CentrePort Drive		Mission Lifeline project	10,000
Habitat for Humanity of Greater New New Bern NC 28561	PO Box 14298		Home construction	10,000
Craven County Parks and Recreation New Bern NC 28560	406 Craven Street		Shelter & Youth Programs	44,000
East Carolina University Foundation Greenville NC 27858	2200 South Charles Blvd,		Access Scholarships	10,000
East Carolina University Foundation Greenville NC 27858	2200 South Charles Blvd,		Scholarships	35,000
Religious Community Services New Bern NC 28563	PO Box 704		Rent & Utility assistance	20,000
Eight Days of Hope, Inc. Tupelo MS 38801	PO Box 3208		Pamlico County building materials	35,000
Sudan Shriners Hospital Fund New Bern NC 28563	PO Drawer 490		Hospital Fund	10,000
Eight Days of Hope Tupelo MS 38801	PO Box 3208		Pamlico County building materials	15,000
Craven County Parks and Recreation New Bern NC 28560	406 Craven Street		Kayak lauch and paddle brochures	5,500
Craven / Pamlico ECU Pirate Club New Bern NC 28562	805 Thyme Court		R Thrift Memorial Scholarship	500
Mediation Center of Eastern Carolin New Bern NC 28563	PO Box 1184		Teen Court	7,500
MERCI Clinic New Bern NC 28560	1315 Tatum Dr		Pharmacy assistance program	10,000
Craven Arts Council & Gallery New Bern NC 28560	PO Box 596		Cultural arts programs	7,500
Tryon Palace Council of Friends New Bern NC 28563	PO Box 1007		Lecture series	7,500
Coastal Women's Shelter New Bern NC 28561	PO Box 13081		Shelter, Self-suffuciency and resour	7,500

Statement 15 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)

Name Address	Address Relationship	Status	Purpose	Amount
Jones County Partnership forChildre Trenton NC 28585	PO Box 186		Mother read program	8,100
Catholic Charities New Bern NC 28563	PO Box 826		Senior Pharmacy	10,000
North Carolina Coastal Land Trust Wilmington NC 28403	131 Racine Dr		Land Acquisitions	20,000
Jones County Middle School Trenton NC 28585	190 Old New Bern Rd		Athletics Sponsorships	14,000
West Craven Middle School New Bern NC 28562	515 WCMS Road		Art / Music Department	10,000
Easter Seals UCP North Carolina Raleigh NC 27612	5171 Glenwood Ave		Child Development Center	10,000
Monarch New Bern NC 28562	1308 Commerce Drive		Therapy garden for mentally challeng	15,000
Craven Smart Start New Bern NC 28560	2111-F Neuse Blvd		Pre-K Child programs	9,000
The Salvation Army Jacksonville NC 28540	535 Bell Fork Road		Services for the underprivileged	6,500
Craven Community College Foundation New Bern NC 28562	800 College Court		Scholarships	35,000
Neuse Riverkeeper Foundation New Bern NC 28562	2207 Trent Blvd		Volunteer programs	5,000
Public Radio East New Bern NC 28562	800 College Court		Operating Expenses	12,500
ARC of Craven County New Bern NC 28562	13-B Mulberry Lane		Adult Summer Camp	7,000
Boys & Girls Club of Coastal Caroli Morehead City NC 28557	PO Box 1514		Building maintenance	25,000
Coastal Carolina Chamber Music Fest New Bern NC 28563	PO Box 1591		Music Festival	2,000
Faith Connection New Bern NC 28562	PO Box 14826		Community Assistance	10,000
Heartworks Bayboro NC 28515	PO Box 365		Operating Expenses	10,000
Hope Clinic Bayboro NC 28515	PO Box 728		Clinic for uninsured	10,000

Statement 15 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)

Name	Address			
Address	Relationship	Status	Purpose	Amount
North Carolina Coastal Federation Newport NC 28570	3609 Hwy 24		Youth programs	7,500
New Millennium Theatre Works New Bern NC 28561	PO Box 12573		Shakespearian Festival	2,500
Promise Place New Bern NC 28560	1401 Park Ave		Support for families of abuse	10,000
Radio Reading Service New Bern NC 28564	PO Box 3274		Reading services for the blind	3,000
Southern Gentlemen Chorus New Bern NC 28560	2214 Caracara Drive		Youth programs	2,500
Special Olympics Morrisville NC 27560	2200 Gateway Centre Blvd,		Programs for those with disabilititi	7,500
Craven County Partners In Education New Bern NC 28562	3600 Trent Rd		Beginning Teachers toolbox, event sp	15,000
Tryon Palace Commission New Bern NC 28563	PO Box 1007		Kay Williams Endowment	500
Uptown Business & Professional Asso New Bern NC 28561	PO Box 14182		Operating Expenses	4,100
HJ MacDonald Booster Club New Bern NC 28560	4610 Helen Lane		Soccer field upgrades	4,000
Religious Community Services New Bern NC 28563	PO Box 704		Rent & Utility assistance	15,000
East Carolina University Greenville NC 27858	2200 South Charles Blvd,		Scholarships	30,000
Monarch New Bern NC 28562	1308 Commerce Drive		MAGICAL Garden	15,000
Coastal Carolina American Youth New Bern NC 28562	100 Amanda Court		Sponsorship	500
Public Radio East New Bern NC 28562	800 College Court		Emergency Funding	12,500
Craven County Recreation and Parks New Bern NC 28560	406 Craven Street		Youth programs	25,000
Salvation Army Jacksonville NC 28540	535 Bell Fork Road		Maysville Assitance Center	6,500
New Bern Craven County YMCA, Inc. New Bern NC 28560	100 YMCA Lane		Operating Expenses	45,000

Statement 15 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)

Name		Address		
Address	Relationship	Status	Purpose	Amount
Total				1,225,400

Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization

(Including Information on Listed Property)

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

OMB No 1545-0172

2012

Attachment Sequence No **179**

Name(s) shown on return: The Harold H. Bate Foundation, Inc.

Identifying number: 56-2121302

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

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

7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the **smaller** of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2011 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 2013 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	2,135

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 2012	17	0
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B—Assets Placed in Service During 2012 Tax Year Using the General Depreciation System

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

Section C—Assets Placed in Service During 2012 Tax Year Using the Alternative Depreciation System

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

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	**Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	2,135
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

DAA

There are no amounts for Page 2