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

OMB No 1545-0052

2014Department of the Treasury
Internal Revenue Service▶ Do not enter social security numbers on this form as it may be made public.
▶ Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

Open to Public Inspection

For calendar year 2014 or tax year beginning

, and ending

Name of foundation DURHAM MERCHANTS ASSOCIATION CHARITABLE FOUNDATION		A Employer identification number 56-1651068
Number and street (or P.O. box number if mail is not delivered to street address) P.O. BOX 52016	Room/suite	B Telephone number (see instructions) 919-489-7921
City or town, state or province, country, and ZIP or foreign postal code DURHAM NC 27717		C If exemption application is pending, check here ☐ D 1 Foreign organizations, check here ☐ 2 Foreign organizations meeting the 85% test, check here and attach computation ☐ E If private foundation status was terminated under section 507(b)(1)(A), check here ☐ F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐
G Check all that apply: ☐ Initial return ☐ Final return ☐ Address change ☐ Initial return of a former public charity ☐ Amended return ☐ Name change		
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ 3,365,927 (Part I, column (d) must be on cash basis)		J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify)

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	10,235	10,235		
	4 Dividends and interest from securities	47,364	47,364		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10 STMT 1	138,176			
	b Gross sales price for all assets on line 6a 660,181				
	7 Capital gain net income (from Part IV, line 2)		32,882		
	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 2	984	984			
12 Total. Add lines 1 through 11	196,759	91,465	0		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) STMT 3	2,875	865		2,010
	c Other professional fees (attach schedule) STMT 4	24,000	7,200		16,800
	17 Interest				
	18 Taxes (attach schedule) (see instructions) STMT 5	2,326	2,326		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
23 Other expenses (att. sch.) STMT 6	30,371	11,855		18,516	
24 Total operating and administrative expenses. Add lines 13 through 23	59,572	22,246	0	37,326	
25 Contributions, gifts, grants paid	123,000			123,000	
26 Total expenses and disbursements. Add lines 24 and 25	182,572	22,246	0	160,326	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	14,187				
b Net investment income (if negative, enter -0-)		69,219			
c Adjusted net income (if negative, enter -0-)			0		

For Paperwork Reduction Act Notice, see instructions.

Form **990-PF** (2014)

Part II Balance Sheets		Beginning of year	End of year	
			(a) Book Value	(b) Book Value
Assets	1 Cash – non-interest-bearing	14,776	15,415	15,415
	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 (att schedule) ▶ Less allowance for doubtful accounts ▶	0		
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	1,288	1,212	1,212
	10a Investments – U S and state government obligations (attach schedule)			
	b Investments – corporate stock (attach schedule) SEE STMT 7	2,655,793	2,669,417	3,349,300
	c Investments – corporate bonds (attach schedule)			
	11 Investments – land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶			
	12 Investments – mortgage loans			
	13 Investments – other (attach schedule)			
Liabilities	14 Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers – see the instructions Also, see page 1, item I)	2,671,857	2,686,044	3,365,927
	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	
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	2,671,857	2,686,044	
	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 Total net assets or fund balances (see instructions)	2,671,857	2,686,044	
	31 Total liabilities and net assets/fund balances (see instructions)	2,671,857	2,686,044	

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	2,671,857
2 Enter amount from Part I, line 27a	2	14,187
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	2,686,044
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	2,686,044

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 CAPITAL GAIN DISTRIBUTION				
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 32,882			32,882
b			
c			
d			
e			

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

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a			32,882
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**32,882****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**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))
2013	121,911	3,163,117	0.038541
2012	123,136	2,482,163	0.049608
2011	164,973	2,512,889	0.065651
2010	190,890	2,863,958	0.066653
2009	199,297	2,619,167	0.076092

2 Total of line 1, column (d)**2****0.296545****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****0.059309****4** Enter the net value of noncharitable-use assets for 2014 from Part X, line 5**4****3,337,383****5** Multiply line 4 by line 3**5****197,937****6** Enter 1% of net investment income (1% of Part I, line 27b)**6****692****7** Add lines 5 and 6**7****198,629****8** Enter qualifying distributions from Part XII, line 4**8****160,326**

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	1,384
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	1,384
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	1,384
6	Credits/Payments		
a	2014 estimated tax payments and 2013 overpayment credited to 2014	6a	1,250
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	1,250
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	134
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 2015 estimated tax ☐ 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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? 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		X
c Did the foundation file Form 1120-POL for this year?		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		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		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b 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? If "Yes," attach the statement required by General Instruction T		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?	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	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	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 2014 or the taxable year beginning in 2014 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
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? Website address ► N/A	13	X	
14	The books are in care of ► CHARLES ATWATER PO BOX 52016 Located at ► DURHAM Telephone no ► NC ZIP+4 ► 27717			
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 2014, 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 FinCEN Form 114, (formerly 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? ☐ 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)? Organizations relying on a current notice regarding disaster assistance check here N/A ☐	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 2014? 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 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014? If "Yes," list the years ► 20 , 20 , 20 , 20 ☐ Yes ☒ No		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement – see 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 2014 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 2014) 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 2014?	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 4945(d)(4)(A)? (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 | | |
| | If "Yes," attach the statement required by Regulations section 53.4945–5(d) | ☐ Yes | ☐ No | |
| 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 |
| | If "Yes" to 6b, file Form 8870 | | | X |
| 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 8				

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

▶	(
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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
NONE		
Total number of others receiving over \$50,000 for professional services		0

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (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	3,369,214
b	Average of monthly cash balances	1b	18,992
c	Fair market value of all other assets (see instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	3,388,206
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	3,388,206
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	50,823
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,337,383
6	Minimum investment return. Enter 5% of line 5	6	166,869

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	166,869
2a	Tax on investment income for 2014 from Part VI, line 5	2a	1,384
b	Income tax for 2014 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	1,384
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	165,485
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	165,485
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	165,485

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	160,326
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	160,326
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	160,326

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 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7				165,485
2 Undistributed income, if any, as of the end of 2014				
a Enter amount for 2013 only				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2014				
a From 2009	69,595			
b From 2010	48,592			
c From 2011	40,435			
d From 2012	316			
e From 2013				
f Total of lines 3a through e	158,938			
4 Qualifying distributions for 2014 from Part XII, line 4 ▶ \$ 160,326				
a Applied to 2013, 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 2014 distributable amount				160,326
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2014 (If an amount appears in column (d), the same amount must be shown in column (a))	5,159			5,159
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	153,779			
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 2013 Subtract line 4a from line 2a Taxable amount – see instructions				
f Undistributed income for 2014 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2015				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required—see instructions)				
8 Excess distributions carryover from 2009 not applied on line 5 or line 7 (see instructions)	64,436			
9 Excess distributions carryover to 2015. Subtract lines 7 and 8 from line 6a	89,343			
10 Analysis of line 9				
a Excess from 2010	48,592			
b Excess from 2011	40,435			
c Excess from 2012	316			
d Excess from 2013				
e Excess from 2014				

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 2014, 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)

2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

	Tax year	Prior 3 years			(e) Total
	(a) 2014	(b) 2013	(c) 2012	(d) 2011	
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 address of the person to whom applications should be addressed
N/A

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

c Any submission deadlines
N/A

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

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year SEE ATTACHED SCHEDULE SEE ATTACHED SCHEDULE DURHAM NC 27707	NONE			123,000
Total			▶ 3a	123,000
b Approved for future payment N/A				
Total			▶ 3b	

Federal Statements

FYE: 12/31/2014

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

Description		How Received		Whom Sold		Date Acquired
Date Sold	Sale Price	Cost	Expense	Depreciation	Net Gain / Loss	
STATE STREET B&T			PURCHASE			VARIOUS
VARIOUS	\$ 63,512	\$ 66,326	\$	\$	-2,814	
STATE STREET B&T			PURCHASE			VARIOUS
VARIOUS	331,291	320,808			10,483	
STATE STREET B&T			PURCHASE			VARIOUS
VARIOUS	232,496	134,871			97,625	
TOTAL	\$ 627,299	\$ 522,005	\$ 0	\$ 0	\$ 105,294	

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

Description		Revenue per Books	Net Investment Income	Adjusted Net Income
NONDIVIDEND DIST				
		\$ 984	\$ 984	\$
TOTAL		\$ 984	\$ 984	\$ 0

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

Description		Total	Net Investment	Adjusted Net	Charitable Purpose
PROFESSIONAL FEES					
		\$ 2,875	\$ 865	\$	\$ 2,010
TOTAL		\$ 2,875	\$ 865	\$ 0	\$ 2,010

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

Description		Total	Net Investment	Adjusted Net	Charitable Purpose
EXECUTIVE DIRECTOR FEES					
		\$ 24,000	\$ 7,200	\$	\$ 16,800
TOTAL		\$ 24,000	\$ 7,200	\$ 0	\$ 16,800

Federal Statements

FYE: 12/31/2014

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FOREIGN TAXES	\$ 1,038	\$ 1,038	\$	\$
FEDERAL TAX	1,288	1,288		
TOTAL	<u>\$ 2,326</u>	<u>\$ 2,326</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXPENSES	\$	\$	\$	\$
TELEPHONE	1,342			1,342
MANAGEMENT FEES	25,402	10,160		15,242
MEETING EXPENSE	1,741			1,741
BANK CHARGES	64			64
OFFICE EXPENSE	127			127
SERVICE FEES	1,695	1,695		
TOTAL	<u>\$ 30,371</u>	<u>\$ 11,855</u>	<u>\$ 0</u>	<u>\$ 18,516</u>

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
CORPORATE STOCKS	\$ 2,655,796	\$ 2,669,419	COST	\$ 3,349,300
ROUNDING	-3	-2		
TOTAL	<u>\$ 2,655,793</u>	<u>\$ 2,669,417</u>		<u>\$ 3,349,300</u>

Statement 8 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees, Etc.

<u>Name and Address</u>	<u>Title</u>	<u>Average Hours</u>	<u>Compensation</u>	<u>Benefits</u>	<u>Expenses</u>
DEDE BROCKWELL PO BOX 52016 DURHAM NC 27717	SECRETARY	2.00	0	0	0
NANCY BROWN PO BOX 52016 DURHAM NC 27717	DIRECTOR	1.00	0	0	0
STEVE HANCOCK PO BOX 52016 DURHAM NC 27717	TREASURER	2.00	0	0	0
ALEX SYKES PO BOX 52016 DURHAM NC 27717	DIRECTOR	1.00	0	0	0
JEFF STEWART PO BOX 52016 DURHAM NC 27717	DIRECTOR	1.00	0	0	0
CARLTON WHITE PO BOX 52016 DURHAM NC 27717	DIRECTOR	1.00	0	0	0
JAY HARRIS	PRESIDENT	2.00	0	0	0

**Statement 8 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees,
Etc. (continued)**

<u>Name and Address</u>	<u>Title</u>	<u>Average Hours</u>	<u>Compensation</u>	<u>Benefits</u>	<u>Expenses</u>
PO BOX 52016 DURHAM NC 27717					
CHARLES ATWATER PO BOX 52016 DURHAM NC 27717	EXECUTIVE DI	3.00	0	0	0
CYNTHIA BARNES PO BOX 52016 DURHAM NC 27717	DIRECTOR	1.00	0	0	0
JIM BRAME PO BOX 52016 DURHAM NC 27717	VP	2.00	0	0	0

ATTACHMENT A

DURHAM MERCHANTS ASSN CHARITABLE FND

56-1651068
Grants 2014

	Amount
A HELPING HAND	2000
ACHIEVEMENT ACADEMY OF DURHAM	4000
AMERICAN DANCE FESTIVAL	3000
AUTISM SUPPORT AND ADVOCACY CTR	1000
BENNETT PLACE SUPPORT FUND	7000
CENTER FOR CHILD AND FAMILY HEALTH	4000
COMMUNITY HEALTH COALITION INC	3000
CRAYONS 2 CALCULATORS	3000
DRESS FOR SUCCESS TRIANGEL NC	3610
DURHAM CENTRAL PARK INC	4000
DURHAM CENTER FOR SENIOR LIFE	1500
DURHAM COUNTY TEEN COURT & RESTITUTION PROGRAM	4000
DURHAM CONGREGATIONS IN ACTION DURHAM	2500
DURHAM CRISIS RESPONSE CENTER	5500
DURHAM LIBRARY FOUNDATION	3890
DURHAM P R O U D PROGRAM	2000
FOOD BANK OF CENTRAL & EASTERN NC, INC	1500
GENESIS HOME	1000
JUNIOR LEADERSHIP DURHAM	750
LATINO EDUCATIONAL ACHIEVEMENT PARTNERSHIP	1500
MEALS ON WHEELS	4000
MENTAL HEALTH AMERICA OF THE TRIANGLE	2000
MUSEUM OF DURHAM HISTORY	6000
PLAYWORKS	1500
PLANNED PARENTHOOD OF CENTRAL NC	2000
PREVENT BLINDNESS NC	2500
PROJECT GRADUATION	2000
REAL DURHAM	5000
SEEDS	2500
SENIOR PHARMASSIST	10000
SPECIAL OLYMPICS OF DURHAM COUNTY	3000
STUDENT U	2000
THE DURHAM SYMPHONY	2000
THE HILL CENTER	3500
THRESHOLD	2500
TRIANGLE RESIDENTIAL OPTIONS FOR SUBSTANCE ABUSERS	3000
URBAN MINISTRIES OF DURHAM	3500
VETS TO VETS	2500
VOLUNTEER CENTER OF DURHAM	4750

123000