Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

► 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.*

OMB No 1545 0052

2014

Open to Public Inspection

For calendar year 2014, or tax year beginning , 2014, and ending ,

HAYDEN-HARMAN FOUNDATION
P. O. BOX 1762
BURLINGTON, NC 27216-1762

A Employer identification number: 56-2180022

B Telephone number (see instructions): (336) 228-8138

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 ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ 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, column (c), line 16)* ► $ 8,610,689.

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

Part I **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)*

			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE	1	Contributions, gifts, grants, etc, received (attach schedule)				
	2	Ck ► ☒ if the foundn is not required to attach Sch B				
	3	Interest on savings and temporary cash investments	746.	746.	746.	
	4	Dividends and interest from securities	553,204.	553,204.	553,204.	
	5 a	Gross rents				
	b	Net rental income or (loss)				
	6 a	Net gain or (loss) from sale of assets not on line 10	30,871.			
	b	Gross sales price for all assets on line 6a 233,804.				
	7	Capital gain net income (from Part IV, line 2)		30,871.		
	8	Net short-term capital gain			25,345.	
	9	Income modifications				
	10 a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule) See Statement 1	1,007.		1,000.	
	12	**Total.** Add lines 1 through 11	585,828.	584,821.	580,295.	
OPERATING AND ADMINISTRATIVE EXPENSES	13	Compensation of officers, directors, trustees, etc	118,600.			56,160.
	14	Other employee salaries and wages	48,330.			12,083.
	15	Pension plans, employee benefits				
	16 a	Legal fees (attach schedule) See St 2	3,335.			834.
	b	Accounting fees (attach sch) See St 3	1,230.			308.
	c	Other prof fees (attach sch)				
	17	Interest				
	18	Taxes (attach schedule)(see instrs) See Stm 4	30,563.			10,320.
	19	Depreciation (attach sch) and depletion See Stmt 5	14,397.			
	20	Occupancy	31,027.			7,757.
	21	Travel, conferences, and meetings	40.			40.
	22	Printing and publications				
	23	Other expenses (attach schedule) See Statement 6	59,116.			19,330.
	24	**Total operating and administrative expenses** Add lines 13 through 23	306,638.			106,832.
	25	Contributions, gifts, grants paid Stmt 7	241,075.			241,075.
	26	**Total expenses and disbursements.** Add lines 24 and 25	547,713.	0.	0.	347,907.
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	38,115.			
	b	**Net investment income** (if negative, enter -0-)		584,821.		
	c	**Adjusted net income** (if negative, enter -0-)			580,295.	

9 C14

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	79,099.	101,231.	101,231.
	2	Savings and temporary cash investments	381,033.	447,396.	447,396.
	3	Accounts receivable ►			
		Less allowance for doubtful accounts ►			
	4	Pledges receivable ►			
		Less allowance for doubtful accounts ►			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach sch) ►			
		Less allowance for doubtful accounts ►			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments – U S and state government obligations (attach schedule)			
	b	Investments – corporate stock (attach schedule) Statement 8	7,517,630.	7,400,292.	7,400,292.
	c	Investments – corporate bonds (attach schedule)			
	11	Investments – land, buildings, and equipment basis ► 263,372.			
		Less: accumulated depreciation (attach schedule) See Stmt 9 ►	263,372.	263,372.	263,372.
	12	Investments – mortgage loans			
	13	Investments – other (attach schedule)			
	14	Land, buildings, and equipment: basis ► 465,849.			
		Less. accumulated depreciation (attach schedule) See Stmt 10 ► 139,379.	340,867.	326,470.	326,470.
	15	Other assets (describe ► See Statement 11)	126,741.	71,928.	71,928.
	16	**Total assets** (to be completed by all filers – see the instructions Also, see page 1, item I)	8,708,742.	8,610,689.	8,610,689.
LIABILITIES	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, & 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			
	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	8,708,742.	8,610,689.	
	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)	8,708,742.	8,610,689.	
	31	**Total liabilities and net assets/fund balances** (see instructions)	8,708,742.	8,610,689.	

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	8,708,742.
2	Enter amount from Part I, line 27a	2	38,115.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	8,746,857.
5	Decreases not included in line 2 (itemize) ► See Statement 12	5	136,168.
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	8,610,689.

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 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a	See Statement 13			
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) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (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	30,871.
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	25,345.

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 (column (b) divided by column (c))
2013	322,487.	8,405,060.	0.038368
2012	264,640.	8,955,606.	0.029550
2011	1,259,314.	8,880,582.	0.141805
2010	486,821.	9,360,595.	0.052007
2009	635,796.	8,800,546.	0.072245

2	**Total** of line 1, column (d)	2	0.333975
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	0.066795
4	Enter the net value of noncharitable-use assets for 2014 from Part X, line 5	4	7,824,259.
5	Multiply line 4 by line 3	5	522,621.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	5,848.
7	Add lines 5 and 6	7	528,469.
8	Enter qualifying distributions from Part XII, line 4	8	347,907.

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)

1 a 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 instrs)**				
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► ☐ and enter 1% of Part I, line 27b			1	11,696.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (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	11,696.
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	11,696.
6 Credits/Payments				
a 2014 estimated tax pmts and 2013 overpayment credited to 2014	**6 a**	12,000.		
b Exempt foreign organizations – tax withheld at source	**6 b**			
c Tax paid with application for extension of time to file (Form 8868)	**6 c**			
d Backup withholding erroneously withheld	**6 d**			
7 Total credits and payments Add lines 6a through 6d			7	12,000.
8 Enter any **penalty** for underpayment of estimated tax Check here ☒ if Form 2220 is attached			8	3.
9 **Tax due** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ►			9	0.
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ►			10	301.
11 Enter the amount of line 10 to be **Credited to 2015 estimated tax** ►	301.	**Refunded** ►	11	0.

Part VII-A Statements Regarding Activities

		Yes	**No**
1 a 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?	**1 a**		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	**1 b**		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?	**1 c**		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ► $ 0. **(2)** On foundation managers ► $ 0.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► $ 0.			
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
4 a Did the foundation have unrelated business gross income of $1,000 or more during the year?	**4 a**	X	
b If 'Yes,' has it filed a tax return on **Form 990-T** for this year?	**4 b**	X	
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, column (c), and Part XV*	**7**	X	
8 a 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*	**8 b**	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*	**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.GUIDESTAR.ORG

14 The books are in care of ► Pat Harman Telephone no ► (336)288-9138

Located at ► P. O. Box 1762 Burlington NC ZIP + 4 ► 27216-1762

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** – Check here N/A ► ☐

and enter the amount of tax-exempt interest received or accrued during the year ► 15 N/A

			Yes	No
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?	16		X
	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 ►			

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
1 a	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)?			1 b	N/A	
	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 2014?			1 c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))					
a	At the end of tax year 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014?	☐ 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)			2 b	N/A	
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ► 20__ , 20__ , 20__ , 20__					
3 a	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)*			3 b	N/A	
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?			4 a		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?			4 b		X

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

5 a 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)? **5 b** N/A

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)

6 a 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? **6 b** X (No)

If 'Yes' to 6b, file Form 8870

7 a 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 **7 b**

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

1 List all officers, directors, trustees, foundation managers and their compensation (see 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 14		118,600.	0.	0.

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

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

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

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)*

3 Five highest-paid independent contractors for professional services (see 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 ►	0.

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	7,491,057.
b Average of monthly cash balances	1b	452,353.
c Fair market value of all other assets (see instructions)	1c	
d **Total** (add lines 1a, b, and c)	1d	7,943,410.
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	7,943,410.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	119,151.
5 **Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	7,824,259.
6 **Minimum investment return.** Enter 5% of line 5	6	391,213.

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	391,213.
2a Tax on investment income for 2014 from Part VI, line 5 — 2a 11,696.		
b Income tax for 2014 (This does not include the tax from Part VI) — 2b		
c Add lines 2a and 2b	2c	11,696.
3 Distributable amount before adjustments Subtract line 2c from line 1	3	379,517.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	379,517.
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	379,517.

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	347,907.
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	347,907.
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	
6 **Adjusted qualifying distributions.** Subtract line 5 from line 4	6	347,907.

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					379,517.
2 Undistributed income, if any, as of the end of 2014					
a Enter amount for 2013 only				0.	
b Total for prior years 20 ___, 20 ___, 20 ___			0.		
3 Excess distributions carryover, if any, to 2014					
a From 2009					
b From 2010					
c From 2011	538,376.				
d From 2012					
e From 2013					
f **Total** of lines 3a through e		538,376.			
4 Qualifying distributions for 2014 from Part XII, line 4 ► $ 347,907.					
a Applied to 2013, but not more than line 2a				0.	
b Applied to undistributed income of prior years (Election required — see instructions)			0.		
c Treated as distributions out of corpus (Election required — see instructions)		0.			
d Applied to 2014 distributable amount					347,907.
e Remaining amount distributed out of corpus		0.			
5 Excess distributions carryover applied to 2014 *(If an amount appears in column (d), the same amount must be shown in column (a).)*		31,610.			31,610.
6 **Enter the net total of each column as indicated below:**					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		506,766.			
b Prior years' undistributed income Subtract line 4b from line 2b			0.		
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			0.		
d Subtract line 6c from line 6b Taxable amount — see instructions			0.		
e Undistributed income for 2013. Subtract line 4a from line 2a Taxable amount — see instructions				0.	
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)		0.			
8 Excess distributions carryover from 2009 not applied on line 5 or line 7 (see instructions)		0.			
9 **Excess distributions carryover to 2015.** Subtract lines 7 and 8 from line 6a		506,766.			
10 Analysis of line 9					
a Excess from 2010					
b Excess from 2011	506,766.				
c Excess from 2012					
d Excess from 2013					
e Excess from 2014					

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1 a 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)

	Tax year	Prior 3 years			
	(a) 2014	**(b)** 2013	**(c)** 2012	**(d)** 2011	**(e) Total**
2 a 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))

None

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

None

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

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

c Any submission deadlines·

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

Part 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*				
Total			► **3a**	
b *Approved for future payment*				
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		746.			
4 Dividends and interest from securities		553,204.			
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					30,871.
9 Net income or (loss) from special events					-18,122.
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a SOLAR POWER ENERGY SOLD		7.			
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		553,957.			12,749.

13 **Total.** Add line 12, columns (b), (d), and (e) 13 566,706.

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

2 a 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

J. Patrick Harman | 5/1/15 ▶ President

Signature of officer or trustee | Date | Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Christopher Jones CFP CPA	CPA Christopher Jones CFP CPA	4/29/15		P00080956

Firm's name ▶ Christopher Jones CFP CPA PA | Firm's EIN ▶ 56-1606436

Firm's address ▶ 100 E Lake Dr
Greensboro, NC 27403 | Phone no 336-379-0300

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

	(a) Revenue per Books	(b) Net Investment Income	(c) Adjusted Net Income
Income From Special Events	$ 1,000.		
SOLAR POWER ENERGY SOLD	7.		
Total	$ 1,007.	$ 0.	$ 0.

Statement 2
Form 990-PF, Part I, Line 16a
Legal Fees

	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Professional Fees	$ 3,335.			$ 834.
Total	$ 3,335.	$ 0.	$ 0.	$ 834.

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

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Accounting Fees	$ 1,230.			$ 308.
Total	$ 1,230.	$ 0.	$ 0.	$ 308.

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

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
ESTIMATED EXCISE TAX	$ 5,371.			
PAYROLL TAXES	13,965.			$ 6,170.
PROPERTY TAX	11,227.			4,150.
Total	$ 30,563.	$ 0.	$ 0.	$ 10,320.

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

Date Acquired	Cost Basis	Prior Yr Depr	Method	Rate	Life	Current Yr Depr	Net Invest Income	Adjusted Net Income
SOLAR POWER SYSTEM								
6/30/05	23,432	13,284	S/L	0.0667		1,563	0	0
ELECTRICAL ADDITION								
2/08/06	1,593	795	S/L	0.0667		106	0	0
Burlingtn Furn & Fixtures								
5/01/09	11,601	9,013	200DB	0.0892		1,035	0	0
Burlington Office Bldg								
8/16/01	209,118	66,358	S/L	0.0256		5,362	0	0
High Point Office Buildin								
6/01/10	124,360	11,297	S/L	0.0256		3,189	0	0
High Point Computer								
6/21/10	906	749	200DB	0.1152		104	0	0
High Point Alarm System								
8/23/10	4,079	3,374	200DB	0.1152		470	0	0
Computer								
8/27/11	2,000	1,424	200DB	0.1152		230	0	0
Computer								
9/30/11	1,226	872	200DB	0.1152		141	0	0
Van								
6/01/13	6,867	1,373	200DB	0.32		2,197	0	0

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

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
DUES & SUBSCRIPTIONS	$ 175.			$ 44.
ED PRGM EXP	9,495.			9,495.
EDUCATION EXP	281.			70.
INSURANCE	8,635.			2,159.
LABOR CASUAL	700.			175.
LICENSES	72.			18.
MISC	155.			39.
OFFICE SUPPLIES	4,769.			1,192.
OFFICE SUPPLIES NonProfit	2,947.			2,947.
REPAIRS EQUIP	7,585.			1,896.
Special Event Expenses	19,122.			
TELEPHONE	5,180.			1,295.
Total	$ 59,116.	$ 0.	$ 0.	$ 19,330.

Statement 7
Form 990-PF, Part I, Line 25
Contributions, Gifts, and Grants

Cash Grants and Allocations

Class of Activity:	VARIOUS	
Donee's Name:	SEE ATTACHED SCHEDULE	
Donee's Address:	VARIOUS VARIOUS, NC	
Relationship of Donee:		
Organizational Status of Donee:		
Amount Given:		$ 241,075.
	Total	$ 241,075.

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

Corporate Stocks	Valuation Method	Book Value	Fair Market Value
Securities	Mkt Val	$ 7,400,292.	$ 7,400,292.
	Total	$ 7,400,292.	$ 7,400,292.

Statement 9
Form 990-PF, Part II, Line 11
Investments - Land, Buildings, and Equipment

Category	Basis	Accum. Deprec.	Book Value	Fair Market Value
Land	$ 263,372.		$ 263,372.	$ 263,372.
Total	$ 263,372.	$ 0.	$ 263,372.	$ 263,372.

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

Category	Basis	Accum. Deprec.	Book Value	Fair Market Value
Auto./Transportation Equip.	$ 6,867.	$ 3,570.	$ 3,297.	$ 3,297.
Furniture and Fixtures	19,475.	17,922.	1,553.	1,553.
Machinery and Equipment	25,025.	15,748.	9,277.	9,277.
Buildings	333,478.	86,206.	247,272.	247,272.
Land	64,224.		64,224.	64,224.
Miscellaneous	16,780.	15,933.	847.	847.
Total	$ 465,849.	$ 139,379.	$ 326,470.	$ 326,470.

2014 Grant Recipients

Disbursement for 2014: $241,074.87

Organization	Amount	Purpose	Federal ID
Welfare Reform Liaison Project	$52,973.48	For a house and for general operating support	56-2046446
Parkview Elementary	$1,000	For student program	Public School
Newlin Elementary	$500	For summer reading program	Public School
Sylvan Elementary	$500	For books	Public School
Carrington Middle School	$1,000	For mentoring program	Public School
Piedmont Authority for Regional Transportation	$500	For a community program	Governmental
Unity Builders	$51,433.04	For two houses	56-2186059
Preservation Greensboro	$10,000	For Model Farm project	56-6086217
Burlington Woman's Club	$2,500	For general operating support	56-6085208
North Carolina Shakespeare Festival	$10,750	For Shakespeare-To-Go performances and for general operating support	59-1725095
Christmas Cheer	$2,000	For fundraising support	31-1645511
Friends of John Coltrane	$5,000	For general operating support	27-2375364
United Way of Alamance County	$5,000	For teachers of the year event	56-0599239
Southeastern Council of Foundations	$1,500	For general operating support	56-0995114
Eastside Park Community Center	$1,000	For general operating support	04-3598468
Divine Restoration Ministries	$1,000	For Christmas program	90-0413468
Fellowship Presbyterian Church	$2,000	For general operating support	56-0855499
The Dictionary Project	$4,560	For 3rd grade Dictionary Project	57-1029802
United Way of Greater High Point	$10,000	For general operating support	56-0547486
City of High Point	$5,248.35	For a public park sign	Municipality
City of Burlington	$10,000	For swimming program and recreation center improvements	Municipality
Washington Drive Renaissance	$2,000	For general operating support	20-1236024
Positive Attitude Youth Center	$5,700	For general operating support	56-1913994
Cummings High School	$25,000	For support of student needs	Public School
D-UP	$29,910	For children's park programming, summer camp, and after-school program	26-4667177
TOTAL	**$241,074.87**		

INVESTMENT VALUES--12/31/2014

Equity	Shares	Cost Basis	12/31/2014 Market Price	12/31/2014 Market Value
Vale S A Adr	1,000	15,744.15	8.18	8,180 00
Verizon Communications, Inc.	300	14,314.77	46.78	14,034 00
Cash and Cash Equivalents	45,979 04	45,979 04	1 00	45,979 04
		$10,060,367.21 Total Cost Basis		$7,400,292.04 Total Market Value

INVESTMENT VALUES--12/31/2014

Equity	Shares	Cost Basis	12/31/2014 Market Price	12/31/2014 Market Value
Alaska Comm System Group	200	1,083 50	1.79	358.00
Alteva	600	6,387 60	7.05	4,230.00
American National Bankshares	500	10,528.56	24.81	12,405.00
AT&T	500	17,063.23	33 59	16,795.00
Ballard Power Systems, Inc	2,000	12,126 14	1.98	3,960.00
Bank of America Corporation	500	9,621.71	17.89	8,945.00
BP PLC	300	13,673 66	38 12	11,436.00
Caterpillar, Inc.	200	18,903.35	91.53	18,306.00
Coca Cola Company	300	12,095.27	42.22	12,666.00
Cyrusone, Inc.	500	10,585.68	27.55	13,775.00
Deere & Company	200	17,172.54	88.47	17,694.00
General Electric Company	1,500	57,446.27	25.27	37,905.00
Halliburton Company	400	19,042.02	39.33	15,732.00
International Business Machines	300	53,135.37	160.44	48,132.00
KKR & Company	500	10,971.03	23.21	11,605.00
Leidos Holdings, Inc.	250	13,464.41	43.52	10,880.00
Lifelock, Inc.	300	5,314.87	18.51	5,553.00
Lorillard, Inc.	200	12,344.40	62.94	12,588.00
Medical Properties Trust	500	6,357.45	13.78	6,890.00
New Ulm Telecom, Inc.	200	1,501.50	7.30	1,460.00
North State Telecomm--Class A	89,391	8,276,555 88	68.00	6,078,588.00
North State Telecomm--Class B	15,280	1,384,174.87	63.80	974,864.00
Transocean Limited	400	14,779.94	18.33	7,332.00

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

	Book Value	Fair Market Value
512 Washington	$ 63,541.	$ 63,541.
Hobson	8,387.	8,387.
Total	$ 71,928.	$ 71,928.

Statement 12
Form 990-PF, Part III, Line 5
Other Decreases

Net Unrealized Gains or Losses on Investments	$ 136,168.
Total	$ 136,168.

Statement 13
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(a) Description	(b) How Acquired	(c) Date Acquired	(d) Date Sold
1	100sh High Point Bank	Purchased	10/29/2013	12/30/2014
2	142sh Science Applications	Purchased	11/22/2006	6/16/2014
3	500sh American National Bankshares	Purchased	4/28/2014	Various
4	300sh American Tower	Purchased	Various	Various
5	300sh Bristol Myers	Purchased	5/19/2014	10/27/2014
6	400sh CAT	Purchased	Various	2/26/2014
7	300sh ConED	Purchased	1/17/2014	10/27/2014
8	500sh EMC	Purchased	11/20/2013	8/04/2014
9	300sh Ebay	Purchased	6/10/2014	11/17/2014
10	500sh Enventis	Purchased	4/28/2014	7/01/2014
11	500sh Family Dollar	Purchased	Various	Various
12	35sh Hickory Tech	Purchased	12/11/2013	1/17/2014
13	750sh Intel	Purchased	8/26/2013	3/31/2014
14	1000sh Windstream	Purchased	6/20/2013	5/19/2014

Item	(e) Gross Sales	(f) Deprec. Allowed	(g) Cost Basis	(h) Gain (Loss)	(i) FMV 12/31/69	(j) Adj. Bas. 12/31/69	(k) Excess (i)-(j)	(l) Gain (Loss)
1	14,742.		9,157.	5,585.				$ 5,585.
2	6,047.		6,106.	-59.				-59.
3	11,941.		10,585.	1,356.				1,356.
4	24,887.		22,299.	2,588.				2,588.
5	15,800.		14,919.	881.				881.
6	38,702.		35,229.	3,473.				3,473.
7	18,591.		16,409.	2,182.				2,182.
8	14,596.		12,129.	2,467.				2,467.
9	16,283.		14,651.	1,632.				1,632.
10	7,895.		6,025.	1,870.				1,870.
11	35,324.		30,168.	5,156.				5,156.
12	506.		451.	55.				55.
13	19,210.		16,950.	2,260.				2,260.
14	9,280.		7,855.	1,425.				1,425.

Statement 13 (continued)
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(e) Gross Sales	(f) Deprec. Allowed	(g) Cost Basis	(h) Gain (Loss)	(i) FMV 12/31/69	(j) Adj. Bas. 12/31/69	(k) Excess (i) - (j)	(l) Gain (Loss)
							Total	$ 30,871.

Statement 14
Form 990-PF, Part VIII, Line 1
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen-sation	Contri-bution to EBP & DC	Expense Account/ Other
J PATRICK HARMAN P. O. Box 1762 BURLINGTON, NC 27216-1762	President 20.00	$ 10,000.	$ 0.	$ 0.
DAVID L HARMAN P. O. Box 1762 Burlington, NC 27216-1762	Vice President 10.00	5,000.	0.	0.
SUSAN S HARMAN P. O. Box 1762 Burlington, NC 27216	Secretary 10.00	5,000.	0.	0.
PATRICK H HARMAN P. O. Box 1762 Burlington, NC 27216-1762	Vice President 40.00	93,600.	0.	0.
PHOEBE N HARMAN P. O. Box 1762 BURLINGTON, NC 27216-1762	Board Member 10.00	5,000.	0.	0.
	Total	$ 118,600.	$ 0.	$ 0.

All of the members of the board of directors serve without compensation for their duties on the board.