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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

2015

Department of the Treasury
Internal Revenue Service

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Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

Open to Public Inspection

For calendar year 2015, or tax year beginning , 2015, and ending

HAYDEN-HARMAN FOUNDATION
P. O. BOX 1762
BURLINGTON, NC 27216-1762A Employer identification number
56-2180022B Telephone number (see instructions)
(336) 228-8138C 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) ☐ J Accounting method ☒ Cash ☐ Accrual
☐ Other (specify) _____
\$ 6,236,559. (Part I, column (d) must be on cash basis)

Part I Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received (attach schedule)	176,800.			
2 ☐ If the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments	580.	580.	580.	
4 Dividends and interest from securities	571,446.	571,446.	571,446.	
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	-1,928.			
b Gross sales price for all assets on line 6a	91,539.			
7 Capital gain net income (from Part IV, line 2)		0.		
8 Net short-term capital gain			0.	
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule)				
12 Total. Add lines 1 through 11	746,898.	572,026.	572,026.	
13 Compensation of officers, directors, trustees, etc	122,400.			46,800.
14 Other employee salaries and wages	32,520.			8,130.
15 Pension plans, employee benefits				
16a Legal fees (attach schedule) See St 1	4,949.			1,237.
b Accounting fees (attach sch) See St 2	1,283.			321.
c Other prof fees (attach sch)				
17 Interest				
18 Taxes (attach schedule)(see instrs) See Stmt 3	34,553.			10,552.
19 Depreciation (attach schedule) and depletion See Stmt 4	11,244.			
20 Occupancy	38,398.			9,600.
21 Travel, conferences, and meetings	1,027.			1,027.
22 Printing and publications				
23 Other expenses (attach schedule) See Statement 5	74,255.			37,837.
24 Total operating and administrative expenses. Add lines 13 through 23	320,629.			115,504.
25 Contributions, gifts, grants paid Stmt 6	230,834.			230,834.
26 Total expenses and disbursements. Add lines 24 and 25	551,463.	0.	0.	346,338.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	195,435.			
b Net investment income (if negative, enter -0-)		572,026.		
c Adjusted net income (if negative, enter -0-)			572,026.	

BAA For Paperwork Reduction Act Notice, see instructions.

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ADMINISTRATIVE EXPENSES

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	101,231.	150,323.	150,323.
	2 Savings and temporary cash investments	447,396.	240,478.	240,478.
	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 7	7,400,292.	5,209,209.	5,209,209.
	c Investments – corporate bonds (attach schedule)			
	11 Investments – land, buildings, and equipment basis	263,372.		
Less accumulated depreciation (attach schedule) See Stmt 8	263,372.	263,372.	263,372.	
12 Investments – mortgage loans				
13 Investments – other (attach schedule)				
14 Land, buildings, and equipment basis	440,941.			
Less accumulated depreciation (attach schedule) See Stmt 9	131,305.	309,636.	309,636.	
15 Other assets (describe See Statement 10)	71,928.	63,541.	63,541.	
16 Total assets (to be completed by all filers – see the instructions. Also, see page 1, item I.)	8,610,689.	6,236,559.	6,236,559.	
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.	
FUND ASSETS	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	8,610,689.	6,236,559.	
	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)	8,610,689.	6,236,559.	
31 Total liabilities and net assets/fund balances (see instructions)	8,610,689.	6,236,559.		

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	8,610,689.
2 Enter amount from Part I, line 27a	2	195,435.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	8,806,124.
5 Decreases not included in line 2 (itemize) See Statement 11	5	2,569,565.
6 Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	6,236,559.

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
(mo., day, yr.)(d) Date sold
(mo., day, yr.)

1 a See Statement 12						
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						(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		
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	-1,928.	
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	-2,082.	

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))
2014	347,907.	7,824,259.	0.044465
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
2 Total of line 1, column (d)			2 0.306195
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 0.061239
4 Enter the net value of noncharitable-use assets for 2015 from Part X, line 5			4 7,256,282.
5 Multiply line 4 by line 3			5 444,367.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 5,720.
7 Add lines 5 and 6			7 450,087.
8 Enter qualifying distributions from Part XII, line 4			8 346,338.

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	11,441.
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	11,441.
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	11,441.
6 Credits/Payments			
a 2015 estimated tax pmts and 2014 overpayment credited to 2015	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	2.	
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	557.	
11 Enter the amount of line 10 to be Credited to 2016 estimated tax 557. 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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? <i>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</i>		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 \$ 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? <i>If 'Yes,' attach a detailed description of the activities</i>		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? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a 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?	X	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T</i>		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? <i>If 'Yes,' complete Part II, col. (c), and Part XV</i>	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? <i>If 'No,' attach explanation</i>	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 2015 or the taxable year beginning in 2015 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X

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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 <u>WWW.GUIDESTAR.ORG</u>	13	X	
14	The books are in care of <u>Pat Harman</u> Telephone no. <u>(336) 288-9138</u> Located at <u>P. O. Box 1762 Burlington NC</u> ZIP + 4 <u>27216-1762</u>			
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 <u>N/A</u>	15		N/A
16	At any time during calendar year 2015, 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. If 'Yes,' enter the name of the foreign country <u></u>	16		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
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)? Organizations relying on a current notice regarding disaster assistance check here <u></u>	1 b	N/A
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 2015?	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 2015, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2015? If 'Yes,' list the years <u>20__ , 20__ , 20__ , 20__</u>	☐ 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.)	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. <u>20__ , 20__ , 20__ , 20__</u>		
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 2015 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 2015.)	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 2015?	4 b	X

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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)?

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)

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?

6 b 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

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
J PATRICK HARMAN P. O. Box 1762 BURLINGTON, NC 27216-1762	President 20.00	14,400.	0.	0.
DAVID L HARMAN P. O. Box 1762 Burlington, NC 27216-1762	Vice Preside 10.00	7,200.	0.	0.
SUSAN S HARMAN P. O. Box 1762 Burlington, NC 27216	Secretary 10.00	7,200.	0.	0.
PATRICK H HARMAN P. O. Box 1762 Burlington, NC 27216-1762	Vice Preside 40.00	93,600.	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.

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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	1 a	6,949,136.
b	Average of monthly cash balances	1 b	417,648.
c	Fair market value of all other assets (see instructions)	1 c	
d	Total (add lines 1a, b, and c)	1 d	7,366,784.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	7,366,784.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	110,502.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	7,256,282.
6	Minimum investment return. Enter 5% of line 5	6	362,814.

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	362,814.
2 a	Tax on investment income for 2015 from Part VI, line 5	2 a	11,441.
b	Income tax for 2015 (This does not include the tax from Part VI.)	2 b	
c	Add lines 2a and 2b	2 c	11,441.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	351,373.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	351,373.
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	351,373.

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	1 a	346,338.
b	Program-related investments — total from Part IX-B	1 b	
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)	3 a	
b	Cash distribution test (attach the required schedule)	3 b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	346,338.
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	346,338.

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.

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2014	(c) 2014	(d) 2015
1 Distributable amount for 2015 from Part XI, line 7				351,373.
2 Undistributed income, if any, as of the end of 2015:				
a Enter amount for 2014 only			0.	
b Total for prior years 20____, 20____, 20____		0.		
3 Excess distributions carryover, if any, to 2015:				
a From 2010				
b From 2011	506,766.			
c From 2012				
d From 2013				
e From 2014				
f Total of lines 3a through e	506,766.			
4 Qualifying distributions for 2015 from Part XII, line 4: \$ 346,338.				
a Applied to 2014, 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 2015 distributable amount				346,338.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2015 (If an amount appears in column (d), the same amount must be shown in column (a))	5,035.			5,035.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	501,731.			
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 2014. Subtract line 4a from line 2a. Taxable amount — see instructions			0.	
f Undistributed income for 2015 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2016				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 2010 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2016. Subtract lines 7 and 8 from line 6a	501,731.			
10 Analysis of line 9:				
a Excess from 2011	501,731.			
b Excess from 2012				
c Excess from 2013				
d Excess from 2014				
e Excess from 2015				

BAA

Form 990-PF (2015)

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				
Total			3 a	
b Approved for future payment				
Total			3 b	

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

► Information about Schedule B (Form 990, 990-EZ, 990-PF) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2015

Name of the organization

HAYDEN-HARMAN FOUNDATION

Employer identification number

56-2180022

Organization type (check one)

Filers of:

Form 990 or 990-EZ

Section:

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

Form 990-PF

- ☐ 501(c)(3) exempt private foundation
☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
☒ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33-1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year. ► \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer 'No' on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2015)

Name of organization

Employer identification number

HAYDEN-HARMAN FOUNDATION

56-2180022

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

(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	Dr J Patrick Harman 806 Tarleton Ave Burlington, NC 27215	\$ 136,000.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II for noncash contributions)
2	David Harman 2058 Hatchery Rd Burlington, NC 27215	\$ 40,800.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II for noncash contributions)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)

Employer identification number

56-2180022

Part III

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	2,000sh North State Telecommunications Mean Value per share \$68.00		
		\$ 136,000.	7/15/15
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
2	600sh North State Telecommunications Mean Value per share \$68.00		
		\$ 40,800.	7/15/15
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	

Schedule B (Form 990, 990-EZ, or 990-PF) (2015)

HAYDEN-HARMAN FOUNDATION

56-2180022

Statement 1
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	\$ 4,949.			\$ 1,237.
Total	<u>\$ 4,949.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 1,237.</u>

Statement 2
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	\$ 1,283.			\$ 321.
Total	<u>\$ 1,283.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 321.</u>

Statement 3
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	\$ 11,699.			\$ 2,509.
PAYROLL TAXES	12,818.			5,118.
PROPERTY TAX	10,036.			2,925.
Total	<u>\$ 34,553.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 10,552.</u>

Statement 4
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
Burlington Furn & Fixtures 5/01/09	11,601	10,048	200DB	0.0893		1,036	0	0
Burlington Office Bldg 8/16/01	209,118	71,720	S/L	0.0256		5,362	0	0
High Point Office Buildin 6/01/10	124,360	14,486	S/L	0.0256		3,189	0	0
High Point Computer 6/21/10	906	853	200DB	0.0576		53	0	0
High Point Alarm System 8/23/10	4,079	3,844	200DB	0.0576		235	0	0
Computer								

HAYDEN-HARMAN FOUNDATION

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Statement 4 (continued)
Form 990-PF, Part I, Line 19
Allocated Depreciation

<u>Date</u> <u>Acquired</u>	<u>Cost</u> <u>Basis</u>	<u>Prior Yr</u> <u>Depr</u>	<u>Method</u>	<u>Rate</u>	<u>Life</u>	<u>Current</u> <u>Yr Depr</u>	<u>Net Invest</u> <u>Income</u>	<u>Adjusted</u> <u>Net Income</u>
8/27/11	2,000	1,654	200DB	0.1152		230	0	0
Computer								
9/30/11	1,226	1,013	200DB	0.1152		141	0	0
Conference Table								
5/31/15	3,224		200DB	0.1429		461	0	0
3 Desks/1 File								
5/31/15	3,760		200DB	0.1429		537	0	0

Statement 5
Form 990-PF, Part I, Line 23
Other Expenses

	<u>(a)</u> <u>Expenses</u> <u>per Books</u>	<u>(b) Net</u> <u>Investment</u> <u>Income</u>	<u>(c)</u> <u>Adjusted</u> <u>Net Income</u>	<u>(d)</u> <u>Charitable</u> <u>Purposes</u>
ADVERTISING	\$ 1,180.			\$ 295.
DUES & SUBSCRIPTIONS	1,475.			369.
ED PRGM EXP	31,317.			31,317.
EDUCATION EXP	506.			127.
INSURANCE	10,806.			2,702.
LABOR CASUAL	1,001.			250.
MISC	202.			51.
OFFICE SUPPLIES	3,114.			779.
REPAIRS EQUIP	2,190.			548.
Special Event Expenses	16,867.			
TELEPHONE	5,597.			1,399.
Total	\$ 74,255.	\$ 0.	\$ 0.	\$ 37,837.

Statement 6
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

Amount Given: \$ 230,834.

Total \$ 230,834.

Hayden Harman Foundation, Inc.
2015 Grant Recipients

Welfare Reform Liaison Project	\$ 10,000	Purchase of van for client transportation	56-2046446
Eastlawn Elementary	\$ 250	For Books	Public School
Newlin Elementary	\$ 250	For Books	Public School
Sylvan Elementary	\$ 250	For Books	Public School
Broadview Middle School	\$ 6,500	For mentoring program	Public School
Christmas Cheer	\$ 2,000	For fundraising support	31-1645511
Friends of John Coltrane	\$ 26,500	For music festival and student workshop	27-2375364
United Way of Alamance County	\$ 5,000	For teachers of the year event	56-0599239
Southeastern Council of Foundations	\$ 1,800	For general operating support	56-0995114
Eastside Park Community Center	\$ 1,000	For general operating support	43-598468
Divine Restoration Ministries	\$ 11,000	For general operating support & Christmas Program	90-4313468
Fellowship Presbyterian Church	\$ 2,000	For general operating support	56-0855499
The Dictionary Project	\$ 4,800	For 3rd grade Dictionary Project	57-1029802
United Way of Greater High Point	\$ 11,000	For general operating support and food summit	56-05547486
The War Memorial Foundation	\$ 1,000	For general operating support	26-2187703
City of Burlington	\$ 5,000	For swimming program and recreation center improvements	Municipality
North Carolina School of the Arts	\$ 1,000	For Shakespeare Lives! Program	Public University
Allied Churches	\$ 15,000	For homeless support position	56-1553388
Benevolence Farm	\$ 15,000	For general operating support	26-23685507
North Carolina Community Foundation	\$ 300	For general operating support	58-1661700
Art Alliance of Greensboro	\$ 2,000	For general operating support	56-2050961
High Point Regional Health Foundation	\$ 5,000	For fundraising support	27-2854711
NCCJ	\$ 1,500	For general operating support	06-1753756
High Point Chamber Foundation	\$ 20,000	For development of business High Point	58-10321573
Rotary Club of High Point Foundation	\$ 5,000	For fundraising support	26-3919931
City Project	\$ 500	For general operating support	26-4193380
Alamance Community College	\$ 9,277	Donation of solar panels	58-1511004
D-UP	\$ 67,907	For children's park programming, summer camp after-school program, women's fitness program, and van donation	26-4667177
TOTAL	\$ 230,834		

HAYDEN-HARMAN FOUNDATION

56-2180022

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

<u>Corporate Stocks</u>	<u>Valuation Method</u>	<u>Book Value</u>	<u>Fair Market Value</u>
Securities	Mkt Val	\$ 5,209,209.	\$ 5,209,209.
	Total	<u>\$ 5,209,209.</u>	<u>\$ 5,209,209.</u>

Statement 8
Form 990-PF, Part II, Line 11
Investments - Land, Buildings, and Equipment

<u>Category</u>	<u>Basis</u>	<u>Accum. Deprec.</u>	<u>Book Value</u>	<u>Fair Market Value</u>
Land	\$ 263,372.		\$ 263,372.	\$ 263,372.
Total	<u>\$ 263,372.</u>	<u>\$ 0.</u>	<u>\$ 263,372.</u>	<u>\$ 263,372.</u>

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

<u>Category</u>	<u>Basis</u>	<u>Accum. Deprec.</u>	<u>Book Value</u>	<u>Fair Market Value</u>
Furniture and Fixtures	\$ 26,459.	\$ 19,956.	\$ 6,503.	\$ 6,503.
Buildings	333,478.	94,757.	238,721.	238,721.
Land	64,224.		64,224.	64,224.
Miscellaneous	16,780.	16,592.	188.	188.
Total	<u>\$ 440,941.</u>	<u>\$ 131,305.</u>	<u>\$ 309,636.</u>	<u>\$ 309,636.</u>

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

	<u>Book Value</u>	<u>Fair Market Value</u>
512 Washington	\$ 63,541.	\$ 63,541.
Total	<u>\$ 63,541.</u>	<u>\$ 63,541.</u>

Statement 11
Form 990-PF, Part III, Line 5
Other Decreases

Net Unrealized Gains or Losses on Investments	Total	<u>\$ 2,569,565.</u>
		<u>\$ 2,569,565.</u>

Statement 12
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	600sh Alteva	Purchased	Various	12/28/2015
2	500sh Cyrusone	Purchased	6/13/2013	1/23/2015
3	250sh Leidos Holdings	Purchased	11/22/2006	11/02/2015
4	100sh AFLAC	Purchased	1/12/2015	10/29/2015
5	200sh Deere	Purchased	7/30/2014	6/19/2015
6	300sh Intel	Purchased	7/21/2015	10/22/2015
7	500sh KKR	Purchased	Various	6/08/2015
8	200sh Lorillard	Purchased	7/30/2014	4/02/2015
9	Dwelling	Purchased	1/01/2015	7/21/2015

	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	Gross	Deprec.	Cost	Gain	FMV	Adj. Bas.	Excess	Gain
<u>Item</u>	<u>Sales</u>	<u>Allowed</u>	<u>Basis</u>	<u>(Loss)</u>	<u>12/31/69</u>	<u>12/31/69</u>	<u>(i) - (j)</u>	<u>(Loss)</u>
1	2,820.		6,388.	-3,568.				\$ -3,568.
2	14,233.		10,418.	3,815.				3,815.
3	13,371.		13,464.	-93.				-93.
4	6,358.		5,906.	452.				452.
5	18,367.		17,173.	1,194.				1,194.
6	10,089.		8,821.	1,268.				1,268.
7	11,529.		10,566.	963.				963.
8	13,772.		12,345.	1,427.				1,427.
9	1,000.		8,386.	-7,386.				-7,386.
							Total	\$ -1,928.