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2010

Form **990-PF**

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

OMB No 1545-0052

Department of the Treasury
Internal Revenue Service

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

2010

For calendar year 2010, or tax year beginning , 2010, and ending , 20

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

Name of foundation Virginia Educational Fund		A Employer identification number 61-6035278
Number and street (or P O box number if mail is not delivered to street address) Berea College	Room/suite	B Telephone number (see page 10 of the instructions) 859-985-3088
City or town, state, and ZIP code Berea, KY 40404-001		C If exemption application is pending, check here ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 109304	J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
(Part I, column (d) must be on cash basis.)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the 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	13	13		
	4 Dividends and interest from securities	4071	4071		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10				
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)				
	8 Net short-term capital gain				
	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	4084	4084			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)				
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)				
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)				
	24 Total operating and administrative expenses. Add lines 13 through 23	129			
	25 Contributions, gifts, grants paid	5000			5000
26 Total expenses and disbursements. Add lines 24 and 25	5129	0		5000	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-1045				
b Net investment income (if negative, enter -0-)		4084			
c Adjusted net income (if negative, enter -0-)			0		

For Paperwork Reduction Act Notice, see page 30 of the instructions.

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

	Beginning of year	End of year	
	(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets			
1 Cash—non-interest-bearing	25378	24332	24332
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 page 15 of the instructions)			
7 Other notes and loans receivable (attach schedule) ▶ Less: allowance for doubtful accounts ▶			
8 Inventories for sale or use			
9 Prepaid expenses and deferred charges			
10a Investments—U.S. and state government obligations (attach schedule)	27616	27616	31254
b Investments—corporate stock (attach schedule)	14448	14448	53718
c Investments—corporate bonds (attach schedule)			
11 Investments—land, buildings, and equipment: basis ▶ Less: accumulated depreciation (attach schedule) ▶			
12 Investments—mortgage loans			
13 Investments—other (attach schedule)			
14 Land, buildings, and equipment: basis ▶ Less: accumulated depreciation (attach schedule) ▶			
15 Other assets (describe ▶)			
16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	67442	66396	109304
Liabilities			
17 Accounts payable and accrued expenses			
18 Grants payable			
19 Deferred revenue			
20 Loans from officers, directors, trustees, and other disqualified persons			
21 Mortgages and other notes payable (attach schedule)			
22 Other liabilities (describe ▶)			
23 Total liabilities (add lines 17 through 22)			
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	67442	66396	
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 page 17 of the instructions)	67442	66396	
31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	67442	66396	

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	67442
2 Enter amount from Part I, line 27a	2	-1045
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	66397
5 Decreases not included in line 2 (itemize) ▶ <u>Rounding</u>	5	1
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	66396

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					
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) 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		
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 pages 13 and 17 of the 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.

(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))
2009	0	104951	0
2008	0	128308	0
2007	0	124603	0
2006	0	105703	0
2005	0	94225	0
2 Total of line 1, column (d)			2 0
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
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5			4 107661
5 Multiply line 4 by line 3			5 0
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 41
7 Add lines 5 and 6			7 41
8 Enter qualifying distributions from Part XII, line 4			8 5000

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 on page 18.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the 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		41
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		
3	Add lines 1 and 2	3		41
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4		
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5		41
6	Credits/Payments:			
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a		
b	Exempt foreign organizations—tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments. Add lines 6a through 6d	7		
8	Enter any penalty for underpayment of estimated tax. Check here ☐ 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		41
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 2011 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?		✓
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for 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>		✓
c Did the foundation file Form 1120-POL for this year?		
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? <i>If "Yes," attach a detailed description of the activities.</i>		✓
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>		✓
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		✓
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? <i>If "Yes," attach the statement required by General Instruction T.</i>		✓
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	✓	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	✓	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ _____		
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>	✓	
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 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? <i>If "Yes," complete Part XIV</i>		✓
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		✓

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 page 20 of the instructions)	11		✓
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ <u>Larry D. Shinn, Trustee</u>	13	✓	
14	The books are in care of ▶ <u>Berea, Kentucky</u> Telephone no. ▶ <u>859-985-3088</u> Located at ▶ _____ ZIP+4 ▶ <u>40404-001</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>15</u>			
16	At any time during calendar year 2010, 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 page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶	16	Yes	No ✓

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 page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ ☐	1b	
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? ☐ 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 page 22 of the instructions.)	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 2010 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 2010.)	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	✓
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 2010?	4b	✓

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No(3) Provide a grant to an individual for travel, study, or other similar purposes? ☒ Yes ☐ No(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the 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 page 22 of the instructions)? **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? ☐ Yes ☒ No

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

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

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? **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 page 22 of the 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
Larry D. Shinn Berea, KY 40404	Trustee, 1	0	0	0
Rev. F. Neff Powell Roanoke, VA 24009	Trustee, 1	0	0	0

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."

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

Total number of other employees paid over \$50,000 ☐

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services ▶		

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

	Amount
1	
2	
All other program-related investments. See page 24 of the instructions.	
3	
Total. Add lines 1 through 3 ▶	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	64934
b	Average of monthly cash balances	1b	44367
c	Fair market value of all other assets (see page 25 of the instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	109301
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	109301
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	1640
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	107661
6	Minimum investment return. Enter 5% of line 5	6	5383

Part XI Distributable Amount (see page 25 of the 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	5383
2a	Tax on investment income for 2010 from Part VI, line 5	2a	41
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	41
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	5342
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	5342
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	5342

Part XII Qualifying Distributions (see page 25 of the 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	5000
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	5000
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 page 26 of the instructions)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	5000

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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				5342
2 Undistributed income, if any, as of the end of 2010:				
a Enter amount for 2009 only				
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2010:				
a From 2005	4787			
b From 2006	5202			
c From 2007	6140			
d From 2008	6323			
e From 2009	5165			
f Total of lines 3a through e	27617			
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$ 5000				
a Applied to 2009, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2010 distributable amount				
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)	5342			5342
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	22275			
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 page 27 of the instructions				
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions				
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	22275			
10 Analysis of line 9:				
a Excess from 2006	0			
b Excess from 2007	0			
c Excess from 2008	0			
d Excess from 2009	0			
e Excess from 2010	5000			

Part XIV Private Operating Foundations (see page 27 of the 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 2010, 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) 2010	(b) 2009	(c) 2008	(d) 2007	
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 $\frac{2}{3}$ 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 page 28 of the 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 page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

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

Director of Student Financial Affairs, Berea College, Berea, KY 40404

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

See Schedule B

c Any submission deadlines:

See Schedule B

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

See Schedule B

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 <i>Paid during the year</i> Schedule Attached	None		Educational	5000
Total			3a	5000
b <i>Approved for future payment</i>				
Total			3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the 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			512	13	
4	Dividends and interest from securities			512	4071	
5	Net rental income or (loss) from real estate:					
a	Debt-financed property					
b	Not debt-financed property					
6	Net rental income or (loss) from personal property					
7	Other investment income					
8	Gain or (loss) from sales of assets other than inventory					
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue: a					
b						
c						
d						
e						
12	Subtotal. Add columns (b), (d), and (e)				4084	
13	Total. Add line 12, columns (b), (d), and (e)				13	4084

(See worksheet in line 13 instructions on page 29 to verify calculations.)

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

[illegible]

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

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

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

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

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 or fiduciary) is based on all information of which preparer has any knowledge																
	Date <u>12/2/11</u>	Title <u>President</u>															
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Print/Type preparer's name</td> <td style="width: 30%;">Preparer's signature</td> <td style="width: 10%;">Date</td> <td style="width: 10%;">Check ☐ if self-employed</td> <td style="width: 20%;">PTIN</td> </tr> <tr> <td>Firm's name ▶</td> <td colspan="2">Firm's EIN ▶</td> <td colspan="2"> </td> </tr> <tr> <td>Firm's address ▶</td> <td colspan="2">Phone no</td> <td colspan="2"> </td> </tr> </table>			Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN	Firm's name ▶	Firm's EIN ▶				Firm's address ▶	Phone no			
Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN													
Firm's name ▶	Firm's EIN ▶																
Firm's address ▶	Phone no																

Virginia Fund

Diocese of Southwestern Virigini. P.O. Box 2279

Roanoke VA 24009

\$5,000

238003

Total Awards Paid

\$5,000

FORM 990-PF
Return of Private Foundation

VIRGINIA EDUCATIONAL FUND
61-6035278
Year Ending December 31, 2010

Part II, Line 10a U.S. & State Government Obligations.

	Book Value	Fair Market Value
U S. Treasury Bonds.		
Matures 2016 - 7.50%	\$ 9,677	\$ 12,855
Allegiant GNMA Fund	17,939	18,399
	<u>\$ 27,616</u>	<u>\$ 31,254</u>

Part II, Line 10b Corporate Stock

952 shares Exelon, Inc.	\$ 10,472	\$ 39,641
282 shares NICOR, Inc	3,976	14,077
	<u>\$ 14,448</u>	<u>\$ 53,718</u>

THE MORRILL FUNDS

Dr. E. Franc Morrill of Rock Island, Illinois, died on January 26, 1932. Prior to her death, she visited and practiced medicine in the mountains of Southwest Virginia and became genuinely interested in the Southern Appalachian Highlands. In her will, Dr. Morrill stated that "It is my desire to help, aid and assist worthy and ambitious young men and young women of the district known as the Southern Mountain District of the United States and composed of the mountainous regions of the States of Virginia, West Virginia, Tennessee, Kentucky, Georgia, North Carolina, and South Carolina to acquire and complete an education in medicine or nursing."

The Morrill Fund is administered by two Trustees, one of them being the President of Berea College. The Trustees of the Morrill fund elected the President of Berea College as Secretary and Treasurer of the fund

The Trustees of the Morrill Fund want to carry out the wishes of Dr. Morrill that as many young men and young women as possible be granted financial assistance to study medicine and nursing. In order that the Morrill Fund might help more people, each person who receives financial aid from the fund will be expected to refund the amount of money received at such time as the recipient is financially able to make payment. These refunds are to be made in some systematic manner as economic conditions permit. As the money is refunded, it will go back into the corpus of the fund and will then be used to help other people. The refunding of this money will be a moral obligation. No interest payments will be required.

In order to better carry out the wishes of Dr. Morrill, funds will be provided to applicants whose homes are in the Southern Mountain District as outlined above and who plan to practice their profession in that area. J.L. Morrill Funds may be granted to young men who are medical school students during any year of study in a recognized school of medicine. Louis Morrill Funds may be granted to young women who are students in nursing (preference being given to graduate study) or in medicine.

A.B. Morrill Funds may be granted to young men, young women and children from the Southern Mountain District to support education of any kind. (Preference will be given for graduate education.)

Application forms for the Morrill Funds may be obtained from the Student Financial Services, Berea College, CPO 2172, Berea, Kentucky, 40404. Applications must be completed and returned to the above address at least three months prior to the term for which funds are requested. An application is made for only one year at a time, but may be renewed for each year of medical or nursing study. A transcript of the previous year's work must accompany any renewal application.

Each application to be considered must be accompanied by a statement from the applicant explaining: (1) his or her need for financial assistance; (2) his or her immediate and future plans, including the name of the educational institution where professional study is being or will be undertaken; (3) the current expectation as to the geographical area where the medical or nursing profession will be practiced.

SCHEDULE B
PAGE 3
DEPT. OF INQUIRY
UNIT RECEIVED

DEC 14 2011
TPR BRANCH
OGDEN

Application for Morrill Funds

SCHEDULE B
PAGE 2 of 3

Name _____ Place of Birth _____ Date of Birth _____

Educational Institution of Current Attendance or Place of Employment _____

Current Address _____ Phone _____

Permanent Address _____ Phone _____

Parent's Name and Address _____

Give names and addresses of two people who would be likely to know your address at all times and from whom recommendations might be requested.

GPA at the end of last term _____ Class Rank at the end of last term _____

List your present indebtedness, if any _____

Educational Institution you will attend _____ Course of Study _____

Expected Graduation Date _____ Budget period from _____ to _____

EXPENSES

Tuition and Fees \$ _____

Board \$ _____

Room \$ _____

Books/Supplies \$ _____

Miscellaneous: _____

_____ \$ _____

_____ \$ _____

_____ \$ _____

TOTAL: \$ _____

INCOME

Savings \$ _____

Earnings \$ _____

Gifts \$ _____

Loans \$ _____

Other Income: _____

_____ \$ _____

_____ \$ _____

_____ \$ _____

\$ _____

PLEDGE OF INTENT: I desire to prepare myself to serve the people of the Southern Mountain District as a health care professional or in other ways. I will live and work in the region once I conclude my studies and will make arrangements to repay the funding when it becomes materially convenient to do so. I have read the provisions on the other side of this sheet and agree to abide by the stated terms and conditions should my request be granted.

Applicant's Signature _____

Date _____

For Office Use Only

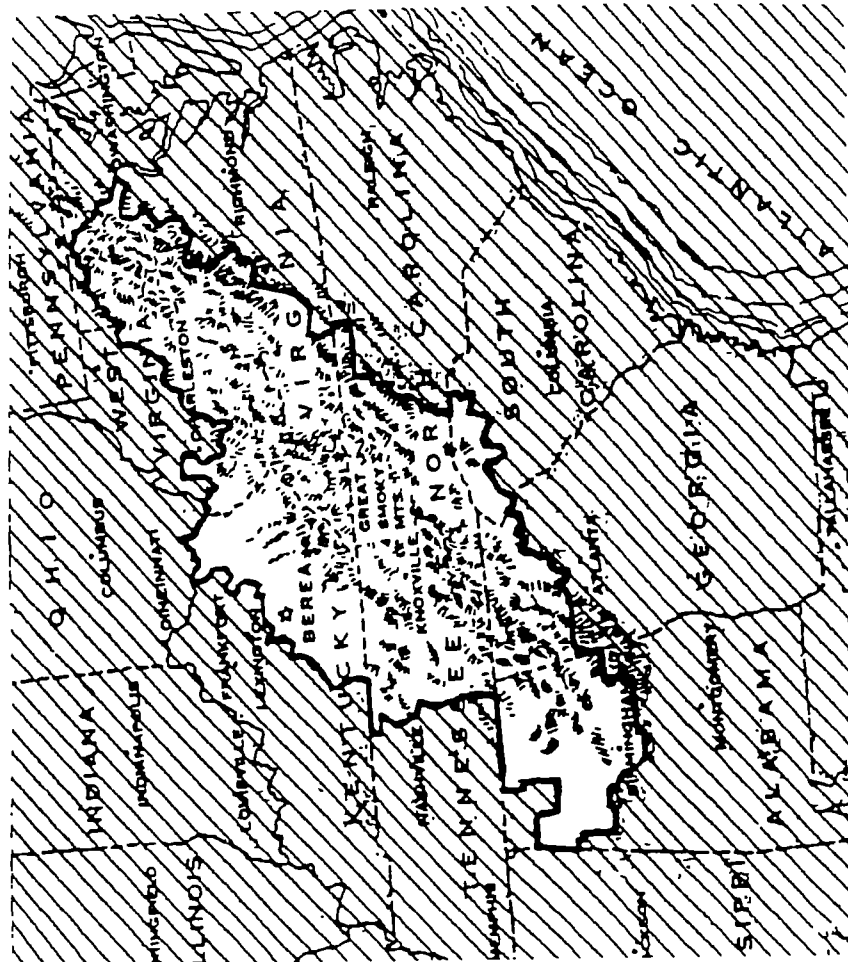
Authorizing Body: _____ Approved: _____ Denied: _____

Signature: _____ Date: _____

Fund Type: L S. Morrill \$ _____ J.L. Morrill \$ _____ A.B. Morrill \$ _____

ORRILL AND MICHEL LOANS AND THE TRADITIONAL BEREA TERRITORY

The donors of the Morrill and Michel funds set geographic restrictions referring to an area called the Southern Mountain District and the Berea Territory. At the time these loan programs were planned, the area was somewhat smaller than the region we now count as the Berea Territory; it included only the mountainous counties of eight southern states. Mrs. Michel was especially interested in seeing that adequate medical services were available to the people in this area. Dr. Morrill was interested in promoting health care and other human services, but went a step further to insist that recipients be originally from the area. The map and list indicate what will be regarded as "in territory" for these loan programs.



THE FIELD OF BEREA

Below is a list of counties in the eight southern states which are considered as mountain territory, and from which students are given preference

ALABAMA	Casey	Macon	Polk	Warren
Blount	Clay	Madison	Pulnam	Washington
Calhoun	Clinton	Mitchell	Rhea	Wise
Cherokee	Cumberland	Polk	Roane	Wythe
Clay	Elliott	Rutherford	Scott	W. VIRGINIA
Cleburne	Esch	Stokes	Sequelchle	Boone
Cullman	Floyd	Surry	Sevier	Fayette
DeKalb	Garrard	Swain	Smith	Grant
Etowah	Greenup	Transylvania	Sullivan	Greenbrier
Fayette	Harlan	Watauga	Unicoi	Hampshire
Franklin	Jackson	Wilkes	Union	Hardy
Jackson	Johnson	Yancey	Van Buren	Jefferson
Jefferson	Knoxi		Warren	Lincoln
Limestone	Knox	S CAROLINA	Washington	Logan
Madison	Laurel	Cherokee	White	McDowell
Marion	Lawrence	Greenville		Mercer
Marshall	Lee	Oconee	VIRGINIA	Mineral
Morgan	Lester	Pickens	Alleghany	Mingo
St Clair	Leitcher	Spartanburg	Amherst	Monroe
Shelby	Lewis		Augusta	Nicholas
Talladega	Lincoln	TENNESSEE	Bath	Pendleton
Walker	McCreary	Anderson	Bedford	Pocahontas
Winston	Madison	Bledsoe	Bland	Pulnam
	Magoffin	Blount	Botetout	Raleigh
	Marlin	Bradley	Buchanan	Randolph
	Menlee	Campbell	Carroll	Summers
GEORGIA	Morgan	Carter	Clarke	Tucker
Barrow	Owsley	Claborne	Craig	Wayne
Caloosa	Perry	Clay	Dickenson	Webster
Challooga	Pike	Cocke	Floyd	Wyoming
Cherokee	Powell	Cumberland	Franklin	
Dade	Pulaski	DeKalb	Frederick	
Dawson	Rockcastle	Fentress	Giles	
Fannin	Rowan	Grainger	Grayson	
Floyd	Wayne	Greene	Greene	
Forsyth	Whitley	Grundy	Highland	
Gilmer	Wolfe	Hamblen	Lee	
Habersham		Hamilton	Loudoun	
Lumpkin		Hancock	Madison	
Murray	N CAROLINA	Hawkins	Montgomery	
Pickens	Alexander	Jackson	Nelson	
Rabun	Alleghany	Jefferson	Page	
Towns	Ashe	Johnson	Patrick	
Walker	Avery	Knox	Pulaski	
White	Buncombe	Loudon	Rappahannock	
Whitefield	Burke	McMinn	Roanoke	
	Caldwell	Macon	Rockbridge	
KENTUCKY	Cherokee	Marion	Rockingham	
Adair	Clay	Melgs	Russell	
Bath	Graham	Monroe	Scott	
Bell	Haywood	Morgan	Shenandoah	
Boyl	Jefferson	Owston	Smyth	
Burnell	Jackson	Pickell	Tazewell	
Carter	McDowell			

EXHIBIT C

FORM 990-PF
Return of Private Foundation

VIRGINIA EDUCATIONAL FUND
61-6035278
Year Ending December 31, 2010

PART XVIII Public Inspection

A12 The Berea Citizen

Classified

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PUBLIC NOTICE

The annual returns for the *Louisa S. Morrill Fund*, the *J.L. Morril Fund*, the *A.B. Morrill Fund* and the *Virginia Educational Fund* are available at the address noted below for public inspection during normal business hours by any person who so requests within 180 days after the publication of this notice of availability.

The Morrill Funds
Larry D. Shinn
Office of the President
Berea College
Berea, Kentucky 40404