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Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2011

For calendar year 2011 or tax year beginning , and ending

Name of foundation
K.B. TIERNEY CHARITABLE FOUNDATION
C/O FIRST COMMUNITY BANK

A Employer identification number
55-0747723

Number and street (or P O box number if mail is not delivered to street address) Room/suite
P.O. BOX 950

B Telephone number (see instructions)
304-325-7151

City or town, state, and ZIP code
BLUEFIELD WV 24701-0950

C If exemption application is pending, check here ☐

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

D 1. Foreign organizations, check here ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ☐

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

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

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ $ 2,386,418

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

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

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

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue 1	Contributions, gifts, grants, etc , received (attach schedule)				
2	Check ▶ ☒ if the foundation is **not** required to attach Sch B				
3	Interest on savings and temporary cash investments	11	11	11	
4	Dividends and interest from securities	63,510	63,510	63,510	
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10 Stmt 1	8,178			
b	Gross sales price for all assets on line 6a 465,367				
7	Capital gain net income (from Part IV, line 2)		14,077		
8	Net short-term capital gain			0	
9	Income modifications				
10a	Gross sales less returns & 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	71,699	77,598	63,521	
Operating and Administrative Expenses 13	Compensation of officers, directors, trustees, etc	0			
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule) Stmt 2	14,729	14,729	14,729	
c	Other professional fees (attach schedule)				
17	Interest				
18	Taxes (attach schedule) (see instructions)				
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (att. sch)				
24	**Total operating and administrative expenses.** Add lines 13 through 23	14,729	14,729	14,729	0
25	Contributions, gifts, grants paid	140,500			140,500
26	**Total expenses and disbursements.** Add lines 24 and 25	155,229	14,729	14,729	140,500
27	Subtract line 26 from line 12:				
a	**Excess of revenue over expenses and disbursements**	-83,530			
b	**Net investment income** (if negative, enter -0-)		62,869		
c	**Adjusted net income** (if negative, enter -0-)			48,792	

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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 (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing	2,254		
	2	Savings and temporary cash investments	51,745	11,268	11,268
	3	Accounts receivable ▶			
		Less allowance for doubtful accounts ▶			
	4	Pledges receivable ▶			
		Less allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (att schedule) ▶			
		Less allowance for doubtful accounts ▶ 0			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S and state government obligations (attach schedule) Stmt 3	304,902	174,957	177,172
	b	Investments—corporate stock (attach schedule) See Stmt 4	763,668	756,119	1,084,453
	c	Investments—corporate bonds (attach schedule) See Stmt 5	574,403	673,870	675,650
	11	Investments—land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach sch) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule) See Statement 6	397,911	397,911	437,875
	14	Land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach sch) ▶			
	15	Other assets (describe ▶)			
	16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	2,094,883	2,014,125	2,386,418
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)	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			
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	2,094,883	2,014,125	
	30	**Total net assets or fund balances** (see instructions)	2,094,883	2,014,125	
	31	**Total liabilities and net assets/fund balances** (see instructions)	2,094,883	2,014,125	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	2,094,883
2	Enter amount from Part I, line 27a	2	-83,530
3	Other increases not included in line 2 (itemize) ▶ See Statement 7	3	2,772
4	Add lines 1, 2, and 3	4	2,014,125
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	2,014,125

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	SHORT TERM			
b	LONG TERM			
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	2,306			2,306
b	11,771			11,771
c				
d				
e				

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-)or Losses (from col (h))
a				2,306
b				11,771
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	14,077
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8	3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2010	187,057	2,383,963	0.078465
2009	152,588	2,297,793	0.066406
2008	159,792	2,779,848	0.057482
2007	279,328	2,999,091	0.093138
2006	186,907	2,949,700	0.063365

2	**Total** of line 1, column (d)	2	0.358856
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	0.071771
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	2,468,854
5	Multiply line 4 by line 3	5	177,192
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	629
7	Add lines 5 and 6	7	177,821
8	Enter qualifying distributions from Part XII, line 4	8	140,500

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter. (attach copy of letter if necessary—see instructions)				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b			1	1,257
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)				
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			2	0
3	Add lines 1 and 2			3	1,257
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			4	0
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-			5	1,257
6	Credits/Payments				
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a	700		
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	700
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	557
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 2012 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?	1a		X
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)?	1b		X
	If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation ▶ $ ______ **(2)** On foundation managers ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ______			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either. • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ None			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (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 ▶ N/A

14 The books are in care of ▶ First Community Bank Telephone no ▶ 304-325-7151
P.O. Box 950
Located at ▶ Bluefield WV ZIP+4 ▶ 24701-0950

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041**—Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the year ▶ 15

			Yes	No
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ▶			

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

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

				Yes	No
1a	During the year did the foundation (either directly or indirectly):				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	N/A	1c		
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))				
a	At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011?	☐ Yes ☒ No			
	If "Yes," list the years ▶ 20 , 20 , 20 , 20				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions.)	N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ 20 , 20 , 20 , 20				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2011 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 2011)	N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?		4b		X

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

5a	During the year did the foundation pay or incur any amount to·					
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes	☒ No			
	(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	☐ Yes	☒ No			
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes	☒ No			
	(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)	☐ Yes	☒ No			
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes	☒ No			
b	If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)?		N/A	5b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐					
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A	☐ Yes	☐ No			
	If "Yes," attach the statement required by Regulations section 53 4945-5(d)					
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes	☒ No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			6b		X
	If "Yes" to 6b, file Form 8870					
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes	☒ No			
b	If Yes, did the foundation receive any proceeds or have any net income attributable to the transaction?		N/A	7b		

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address		(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
FIRST COMMUNITY BANK P.O. BOX 950	BLUEFIELD WV 24701	TRUSTEE 5.00	0	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 ▶		

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 VIRGINIA HORSE CENTER FOUNDATION	
2 BLUEFIELD STATE COLLEGE ATHLETIC DEPARTMENT	
3 CHRIST EPISCOPAL CHURCH	
4 BLUEFIELD BEAUTIFICATION COMMISSION	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments See instructions 3	
Total. Add lines 1 through 3 ▶	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes:		
a	Average monthly fair market value of securities	1a	2,506,451
b	Average of monthly cash balances	1b	0
c	Fair market value of all other assets (see instructions)	1c	0
d	**Total** (add lines 1a, b, and c)	1d	2,506,451
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	2,506,451
4	Cash deemed held for charitable activities Enter 1½% of line 3 (for greater amount, see instructions)	4	37,597
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,468,854
6	**Minimum investment return.** Enter 5% of line 5	6	123,443

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	123,443
2a	Tax on investment income for 2011 from Part VI, line 5 — 2a: 1,257		
b	Income tax for 2011 (This does not include the tax from Part VI.) — 2b:		
c	Add lines 2a and 2b	2c	1,257
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	122,186
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	122,186
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	122,186

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	140,500
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	140,500
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	0
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	140,500

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 2010	(c) 2010	(d) 2011
1	Distributable amount for 2011 from Part XI, line 7					122,186
2	Undistributed income, if any, as of the end of 2011					
a	Enter amount for 2010 only					
b	Total for prior years: 20 ____ , 20 ____ , 20 ____					
3	Excess distributions carryover, if any, to 2011:					
a	From 2006	41,648				
b	From 2007	132,087				
c	From 2008	22,774				
d	From 2009	39,021				
e	From 2010	69,077				
f	**Total** of lines 3a through e		304,607			
4	Qualifying distributions for 2011 from Part XII, line 4. ▶ $ 140,500					
a	Applied to 2010, but not more than line 2a					
b	Applied to undistributed income of prior years (Election required—see instructions)					
c	Treated as distributions out of corpus (Election required—see instructions)					
d	Applied to 2011 distributable amount					122,186
e	Remaining amount distributed out of corpus		18,314			
5	Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))					
6	**Enter the net total of each column as indicated below:**					
a	Corpus Add lines 3f, 4c, and 4e Subtract line 5		322,921			
b	Prior years' undistributed income Subtract line 4b from line 2b					
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed					
d	Subtract line 6c from line 6b Taxable amount—see instructions					
e	Undistributed income for 2010. Subtract line 4a from line 2a Taxable amount—see instructions					
f	Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012					0
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)					
8	Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)		41,648			
9	**Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a		281,273			
10	Analysis of line 9:					
a	Excess from 2007	132,087				
b	Excess from 2008	22,774				
c	Excess from 2009	39,021				
d	Excess from 2010	69,077				
e	Excess from 2011	18,314				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, 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) 2011	(b) 2010	(c) 2009	(d) 2008	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter. (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year—see instructions.)

1 **Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000). (See section 507(d)(2))

N/A

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

N/A

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ▶ ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

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

N/A

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

N/A

c Any submission deadlines.

N/A

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

N/A

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year See Statement 8				140,500
Total			▶ 3a	140,500
b Approved for future payment N/A				
Total			▶ 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(e)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	Related or exempt function income (See instructions)
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					11
4 Dividends and interest from securities					63,510
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					8,178
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue: a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0		0	71,699

13 **Total.** Add line 12, columns (b), (d), and (e) 13 71,699

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

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions)
N/A	

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

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

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

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

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

b If "Yes," complete the following schedule

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

Sign Here

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

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

Signature of officer or trustee | Date 5/10/12 | Title V.P. + Sr. Trust Admin Off.

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed
Ralph T. Tinney, Jr.		05/10/12	
Firm's name ▶ Ralph T. Tinney, Jr., CPA		PTIN [redacted]	
Firm's address ▶ P.O. Box 9 Bluefield, WV 24701		Firm's EIN ▶ 55-0743470	
		Phone no	

Federal Statements

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

Description: Whom Sold	Date Acquired	Date Sold	How Received / Sale Price	Cost	Expense	Depreciation	Net Gain / Loss
50000 FHLB 2.5% 12/16/16			Purchase				
	12/06/10	6/20/11	$ 50,000	$ 50,000	$	$	$
200 BOA CORP COM			Purchase				
	5/14/02	9/26/11	1,290	7,548			-6,258
50000 FHLB NTS 4% 02/11/15			Purchase				
	1/28/08	2/11/11	50,000	49,975			25
50000 FHLB NTS 4% 02/111/15			Purchase				
	2/07/08	2/11/11	50,000	49,975			25
50000 FHLB 2.25% 12/17/13			Purchase				
	2/22/10	3/17/11	50,000	49,975			25
50000 FHLB 1.3% 09/09/14			Purchase				
	8/20/10	9/09/11	50,000	49,975			25
50000 FHLMC 2.15% 12/28/15			Purchase				
	12/02/10	12/28/11	50,000	50,001			-1
100000 FNMA NTS 3.43% 08/26/14			Purchase				
	8/07/09	8/26/11	100,000	99,952			48
50000 HSBC FINANCE CORP NTS 6.75%			Purchase				
	5/09/02	5/15/11	50,000	49,788			212
Total			$ 451,290	$ 457,189	$ 0	$ 0	$ -5,899

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
TAX PREPARATION	$ 926	$ 926	$ 926	$
TRUSTEE FEES	13,803	13,803	13,803	
Total	$ 14,729	$ 14,729	$ 14,729	$ 0

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Indirect taxes/licenses	$	$	$	$
Total	$ 0	$ 0	$ 0	$ 0

Statement 3 - Form 990-PF, Part II, Line 10a - US and State Government Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
FFCB 31331XBSO	$ 15,000	$ 15,000		$ 16,299
FHLB 313370S25	49,975			
FHLB 313371YG5	50,000			
FHLB 3133XPF74	49,975			
FHLB 3133XPQ23	49,975			
FHLB 3133XXC62	49,975			
FFCB 31331JZJ5	40,000	40,000		40,342
FFCB 2.5% 31331KCW8		50,001		50,122
FHLB 3.35% 3133734D1		69,955		70,410
ROUNDING ADJUSTMENT	2	1		-1
Total	$ 304,902	$ 174,957		$ 177,172

Statement 4 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
416 AT&T COMMON	$ 21,150	$ 21,150		$ 12,580
300 ABBOTT LABORATORIES COMMON	14,791	14,791		16,869
2000 ALTRIA GROUP, INC.	32,828	32,828		59,300
200 BANK OF AMERICA COMMON	7,548			
400 BECTON DICKINSON & COMPANY	24,020	24,020		29,888
350 CHEVRON CORPORATION	21,883	21,883		37,240
500 CISCO SYSTEMS INC COMMON	18,318	18,318		9,040
500 COLGATE-PALMOLIVE CO COMMON	29,858	29,858		46,195
600 CONOCOPHILLIPS COMMON	20,631	20,631		43,722
200 COSTCO WHOLESALE CORP COMMON	8,252	8,252		16,664
800 DANAHER CORP COMMON	17,737	17,737		37,632
575 EXXON MOBIL CORP COMMON	14,373	14,373		48,737
6593 FIRST COMMUNITY BANCSHARES COMM	6,197	6,197		82,281
1525 GENERAL DYNAMICS CORP	87,465	87,465		101,275
1125 GENERAL ELECTRIC COMMON	25,515	25,515		20,149
100 GOLDMAN SACHS GROUP COMMON	14,725	14,725		9,043
600 HEWLETT PACKARD CO	22,063	22,063		15,456
400 HOME DEPOT COMMON	14,428	14,428		16,816

Statement 4 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
1100 INTEL CORPORATION COMMON	$ 22,822	$ 22,822		$ 26,675
100 ISHARES TRUST	3,108	3,108		3,794
400 JACOBS ENGINEERING	15,558	15,558		16,232
600 JOHNSON & JOHNSON COMMON	28,104	28,104		39,348
200 KIMBERLY-CLARK COMMON	14,749	14,749		22,068
200 MCDONALDS CORPORATION	14,104	14,104		20,066
300 MEDTRONIC INC COMMON	4,946	4,946		11,475
1000 MICROSOFT CORP COMMON	41,829	41,829		25,960
300 NEXTERA ENERGY INC	12,200	12,200		18,264
500 ORACLE CORPORATION COMMON	15,097	15,097		12,825
700 PEPSICO INC COMMON	29,855	29,855		46,445
525 PFIZER INC COMMON	16,202	16,202		11,361
1000 PHILIP MORRIS INTL	41,549	41,549		78,480
552 PROCTER & GAMBLE COMMON	28,465	28,465		36,824
550 SCHLUMBERGER LIMITED COMMON	13,326	13,326		37,570
360 VERIZON COMMUNICATIONS	9,600	9,600		14,443
550 WAL-MART STORES INC COMMON	24,296	24,296		32,868
750 WALGREEN CO COMMON	24,488	24,488		24,795
54 TRANSOCEAN INC COMMON	1,586	1,586		2,073
ROUNDING AJUSTMENT	2	1		
300 BP PLC				
200 CERNER CORPORATION				
Total	$ 763,668	$ 756,119		$ 1,084,453

Statement 5 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
ALCOA 6% 01-15-12	$ 49,873	$ 49,873		$ 50,049
BANK OF AMERICA 06051GED7	74,885	74,885		69,782
FAMC 2.05% 4/13/12	49,976	49,976		50,268
FHLMC 2.25% 3134G14Y7		50,000		50,126
FHLMC .5% 3134G2YJ5		99,701		99,687
FHLMC 2.15% 3134G1F90	50,001			

Statement 5 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
FNMA .625% 3135G0DWO	$	$ 49,967		$ 49,909
FNMA 3.43% 8/14	99,951			
FNMA 1% 3136FPCR6	75,000	75,000		75,320
FNMA 2.00% 3136FRUP6		50,000		50,750
GEN ELEC CAP CORP 36962G4T8		49,538		50,224
GEN ELEC CAP CORP 36966R2X3	25,000	25,000		26,585
HSBC FINANCE CORP 6.75% 05-15-11	49,788			
NATL RURAL UTIL CORP 63743FLT1	50,002	50,002		50,839
US BANCORP MTNS 91159HGT1	49,928	49,928		52,113
ROUNDING ADJUSTMENT	-1			-2
Total	$ 574,403	$ 673,870		$ 675,650

Statement 6 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
604.576 COHEN & STEERS RLTY SHS FD	$ 39,617	$ 39,617		$ 36,776
1037.849 HARBOR INTL FUND	38,151	38,151		54,435
1812.261 NEUBERGER & BERMAN GENESIS FD	51,772	51,772		59,931
1301.933 T.ROWE PRICE MID-CAP GROWTH FD	60,168	60,168		68,651
2727.780 T.ROWE PRICE MID-CAP VALUE FD	60,168	60,168		58,347
4703.608 ROYCE TOTAL RETURN FUND	54,272	54,272		59,642
9041.786 VANGUARD FIXED-INCOME GNMA FUND	93,763	93,763		100,093
Total	$ 397,911	$ 397,911		$ 437,875

Federal Statements

Statement 7 - Form 990-PF, Part III, Line 3 - Other Increases

Description	Amount
CHECK VOIDED	$ 2,500
ACTIVITY TAXABLE PRIO YEAR	272
Total	$ 2,772

Statement 8 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year

Name / Address	Address / Relationship	Status	Purpose	Amount
CHRIST EPISCOPAL CHURCH BLUEFIELD WV 24701	NONE		GENERAL OPERATING	10,000
BLUEFIELD BEAUTIFICATION BLUEFIELD WV 24701	NONE		FENCING AND MAINTENANCE	5,000
CHARLESTON BALLET CHARLESTON WV	NONE		ADMISSION STUDENTS SOUTHERN COUNTIES	2,000
SOUTHWEST VA COMMUNITY CO RICHLANDS VA	NONE		FESTIVAL FOR THE ARTS	5,000
BLUE MOUNTAIN PERFORMING BLUEFIELD WV 24701	NONE		RESIDENCY PROJECT/BLUEFIELD HIGH	3,000
BLUEFIELD STATE COLLEGE BLUEFIELD WV 24701	NONE		SCHOLARSHIPS FOR STUDENT ATHLETES	15,000
CLAY CENTER CHARLESON WV	NONE		ADMISSION STUDENTS MERCER COUNTY	2,000
WV SYMPHONY CHARLESTON WV	NONE		MUSIC EDUCATIONAL FUNDING	5,000
VIRGINIA HORSE CENTER FOU LEXINGTON VA	NONE		UNRESTRICTED	50,000
MERCER CTY FELLOWSHIP HOM BLUEFIELD WV 24701	NONE		OPERATIONS	5,000
CITY OF BLUEFIELD BLUEFIELD WV 24701	NONE		LEMONADE DAYS	2,500
SECOND CHANCE FOR CATS PRINCETON WV 24740	NONE		NEUTERING/NO KILL FACILITY	5,000
RICHLANDS AREA ARTS RICHLANDS VA	NONE		FUNDING OF THE ARTS	1,000
AMERICAN RED CROSS CHARLESTON WV	NONE		HAITI RELIEF	1,000
READ ALOUD WV BLUEFIELD WV 24701	NONE		PROMOTE LITERACY	2,000
RETIRED MILITARY POLICE FAYETTEVILLE NC	NONE		DORMITORY	1,000
MERCER CTNY SPAY ASSOC PRINCETON WV 24740	NONE		ASSIST COST OF SPAYING/NEUTERING	3,000

Statement 8 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)

Name / Address	Address / Relationship	Status	Purpose	Amount
SCOTTIES PLACE PETERSTOWN WV	NONE		ADVENTURE PROGRAM FOR CHILDREN	5,000
HIGH POINT UNIVERSITY HIGH POINT NC	NONE		TUITION ASSISTANCE	2,000
MERCER SPORTSMAN CLUB BLUEFIELD WV 24701	1037 JAMES ST. NONE		FISHING SEMINAR FOR YOUTH	1,000
MERCER CTNY HUMANE SOCIETY PRINCETON WV 24740	P.O. BOX 5723 NONE		SHELTER IMPROVEMENTS	1,000
BUCKSKIN COUNCIL , BOY SCOUTS CHARLESTON WV 25311	2829 KANAWAH BLVD, EAST NONE		SERVICE TO YOUTH/FAMILIES	5,000
ALLIANCE FOR THE ARTS, LTD. BLUEFIELD WV 24701	500 BLAND ST. NONE		UNRESTRICTED	1,000
BIG CREEK PEOPLE IN ACTION WAR WV 24892	HC 32, BOX 541 NONE		HOUSING REHABILITATION	1,000
BLUEFIELD COLLEGE BLUEFIELD VA 24605	3000 COLLEGE DR NONE		INFRASTRUCTURE	5,000
CHILD PROTECT OF MERCER COUNTY PRINCETON WV 24740	206 CENTER ST NONE		OCCUPANCY EXPENSES	1,000
COMMUNITY FOUNDATION OF VIRGINIAS BLUEFIELD WV 24701	P. O. BOX 4127 NONE		TRAILS AT CITY PARK	1,000
Total				140,500