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Form 990-PF

Department of the Treasury  
Internal Revenue ServiceReturn of Private Foundation  
or Section 4947(a)(1) Nonexempt Charitable Trust  
Treated as a Private Foundation

OMB No 1545-0052

2011

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

For calendar year 2011 or tax year beginning

DEC 1, 2011

and ending

NOV 30, 2012

Name of foundation

THE COFFEY FOUNDATION, INC.

A Employer identification number

56-6047501

Number and street (or P.O. box number if mail is not delivered to street address)

POST OFFICE BOX 1161

Room/suite

B Telephone number

(828) 754-9479

City or town, state, and ZIP code

LENOIR, NC 28645

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 changeD 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 foundationE 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)

\$ 8,226,168.

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))		(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				N/A	
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments		4.	4.		STATEMENT 1
4 Dividends and interest from securities		211,795.	211,795.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		1,620,027.			
b Gross sales price for all assets on line 6a					
7 Capital gain net income (from Part IV, line 2)			1,620,027.		
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 (loss)					
11 Other income		2,751.	2,751.		STATEMENT 3
12 Total. Add lines 1 through 11		1,834,577.	1,834,577.		
13 Compensation of officers, directors, trustees, etc.		7,600.	0.		7,600.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees STMT 4		18,500.	18,500.		0.
c Other professional fees STMT 5		10,200.	10,200.		0.
17 Interest					
18 Taxes					
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 6		106,956.	106,956.		0.
24 Total operating and administrative expenses. Add lines 13 through 23		143,256.	135,656.		7,600.
25 Contributions, gifts, grants paid		391,250.			391,250.
26 Total expenses and disbursements. Add lines 24 and 25		534,506.	135,656.		398,850.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		1,300,071.			
b Net investment income (if negative, enter -0-)			1,698,921.		
c Adjusted net income (if negative, enter -0-)				N/A	

123501  
12-02-11

LHA For Paperwork Reduction Act Notice, see 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

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
<b>Assets</b>	1 Cash - non-interest-bearing	302,878.	8,226,168.	8,226,168.
	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			
	7 Other notes and loans receivable ▶			
	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 STMT 7	83,162.	0.	0.
	b Investments - corporate stock STMT 8	4,979,668.	0.	0.
	c Investments - corporate bonds STMT 9	775,026.	0.	0.
<b>Liabilities</b>	11 Investments - land, buildings, and equipment basis ▶			
	Less: accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 10	790,692.	0.	0.
	14 Land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 <b>Total assets</b> (to be completed by all filers)	6,931,426.	8,226,168.	8,226,168.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
<b>Net Assets or Fund Balances</b>	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 <b>Total liabilities</b> (add lines 17 through 22)	0.	0.	
<b>Net Assets or Fund Balances</b>	Foundations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>			
	and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted	6,931,426.	8,226,168.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input type="checkbox"/>			
	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 <b>Total net assets or fund balances</b>	6,931,426.	8,226,168.		
31 <b>Total liabilities and net assets/fund balances</b>	6,931,426.	8,226,168.		

**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	6,931,426.
2 Enter amount from Part I, line 27a	2	1,300,071.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	8,231,497.
5 Decreases not included in line 2 (itemize) ▶ <b>NET ASSET ADJUSTMENT</b>	5	5,329.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	8,226,168.

**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.)
<b>1a OIL AND GAS INTERESTS</b>	<b>D</b>	<b>01/14/65</b>	<b>10/23/12</b>
<b>b PUBLICALLY TRADED SECURITIES - MERRILL LYNCH</b>	<b>P</b>	<b>VARIOUS</b>	<b>VARIOUS</b>
<b>c PUBLICALLY TRADED SECURITIES - MERRILL LYNCH</b>	<b>P</b>	<b>VARIOUS</b>	<b>VARIOUS</b>
<b>d UST EXCELSIOR MULTI-STRATEGY FUND</b>	<b>P</b>	<b>VARIOUS</b>	<b>VARIOUS</b>

(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)
<b>a 27,552.</b>		<b>7,447.</b>	<b>20,105.</b>
<b>b 4,180,320.</b>		<b>4,027,990.</b>	<b>152,330.</b>
<b>c 6,945,785.</b>		<b>5,516,905.</b>	<b>1,428,880.</b>
<b>d 18,712.</b>			<b>18,712.</b>

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))
(j) F.M.V. as of 12/31/69	(i) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
<b>a</b>			<b>20,105.</b>
<b>b</b>			<b>152,330.</b>
<b>c</b>			<b>1,428,880.</b>
<b>d</b>			<b>18,712.</b>

<b>2</b> 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	<b>2</b>	<b>1,620,027.</b>
<b>3</b> 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). If (loss), enter -0- in Part I, line 8		<b>3</b>	<b>N/A</b>

**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 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	332,508.	8,087,871.	.041112
2009	348,591.	7,305,603.	.047716
2008	442,351.	6,707,838.	.065945
2007	494,758.	9,007,170.	.054929
2006	457,527.	10,336,787.	.044262

<b>2</b> Total of line 1, column (d)	<b>2</b>	<b>.253964</b>
<b>3</b> 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	<b>3</b>	<b>.050793</b>
<b>4</b> Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	<b>4</b>	<b>8,202,282.</b>
<b>5</b> Multiply line 4 by line 3	<b>5</b>	<b>416,619.</b>
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)	<b>6</b>	<b>16,989.</b>
<b>7</b> Add lines 5 and 6	<b>7</b>	<b>433,608.</b>
<b>8</b> Enter qualifying distributions from Part XII, line 4	<b>8</b>	<b>398,850.</b>

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 <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		1	33,978.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b			
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		2	0.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		3	33,978.
3 Add lines 1 and 2		4	0.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		5	33,978.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-			
6 Credits/Payments:			
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a 8,812.	7	36,812.
b Exempt foreign organizations - tax withheld at source	6b	8	
c Tax paid with application for extension of time to file (Form 8868)	6c 28,000.	9	
d Backup withholding erroneously withheld	6d	10	2,834.
7 Total credits and payments. Add lines 6a through 6d		11	0.
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached			
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed			
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid			
11 Enter the amount of line 10 to be: Credited to 2012 estimated tax	2,834. Refunded		

**Part VII-A Statements Regarding Activities**

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. \$ 0. (2) On foundation managers. \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <u>NC</u>		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

**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>N/A</u>	13	X	
14	The books are in care of ► <u>HARRIET HINES</u> Telephone no. ► <u>(828) 754-9479</u> Located at ► <u>512 STONECROFT COURT SE, LENOIR, NC</u> ZIP+4 ► <u>28645</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> <u>N/A</u>			
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? See 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	X X

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 ► <input type="checkbox"/>	1b	X
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?	1c	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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ► _____, _____, _____		
b	Are there any years listed in 2a for which the foundation is <b>not</b> 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.) <u>N/A</u>	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. ► _____, _____, _____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.) <u>N/A</u>	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

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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 509(a)(1), (2), or (3), or section 4940(d)(2)?

☐ 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)?☐ Yes ☒ No

5b

X

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

6b

X

**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

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.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 11		7,600.	0.	0.

**2** Compensation of five highest-paid employees (other than those included on line 1). 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

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**Part VIII****Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** (continued)**3 Five highest-paid independent contractors for professional services. 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 <b>SCHOLARSHIPS- SEE ATTACHED SCHEDULE OF RECIPIENTS</b>	
	245,000.
2 <b>CHARITABLE CONTRIBUTIONS- SEE ATTACHED SCHEDULE OF RECIPIENTS</b>	
	146,250.
3	
4	

**Part IX-B Summary of Program-Related Investments**

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

	Amount
1 <b>N/A</b>	
2	
All other program-related investments. See instructions.	
3	
<b>Total.</b> 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.)

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
<b>a</b>	Average monthly fair market value of securities	<b>1a</b>	6,598,577.
<b>b</b>	Average of monthly cash balances	<b>1b</b>	1,728,613.
<b>c</b>	Fair market value of all other assets	<b>1c</b>	
<b>d</b>	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	8,327,190.
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	0.
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	0.
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	8,327,190.
<b>4</b>	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	<b>4</b>	124,908.
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	8,202,282.
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	410,114.

**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.)

<b>1</b>	Minimum investment return from Part X, line 6	<b>1</b>	410,114.
<b>2a</b>	Tax on investment income for 2011 from Part VI, line 5	<b>2a</b>	33,978.
<b>b</b>	Income tax for 2011. (This does not include the tax from Part VI.)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	33,978.
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	376,136.
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	0.
<b>5</b>	Add lines 3 and 4	<b>5</b>	376,136.
<b>6</b>	Deduction from distributable amount (see instructions)	<b>6</b>	0.
<b>7</b>	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	376,136.

**Part XII Qualifying Distributions** (see instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
<b>a</b>	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	<b>1a</b>	398,850.
<b>b</b>	Program-related investments - total from Part IX-B	<b>1b</b>	0.
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the:		
<b>a</b>	Suitability test (prior IRS approval required)	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule)	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	398,850.
<b>5</b>	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	<b>5</b>	0.
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	398,850.

**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.

Form 990-PF (2011)

**Part XIII** Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
<b>1</b> Distributable amount for 2011 from Part XI, line 7				376,136.
<b>2</b> Undistributed income, if any, as of the end of 2011				
<b>a</b> Enter amount for 2010 only			391,062.	
<b>b</b> Total for prior years:		0.		
<b>3</b> Excess distributions carryover, if any, to 2011:				
<b>a</b> From 2006				
<b>b</b> From 2007				
<b>c</b> From 2008				
<b>d</b> From 2009				
<b>e</b> From 2010				
<b>f</b> Total of lines 3a through e	0.			
<b>4</b> Qualifying distributions for 2011 from Part XII, line 4: ► \$ 398,850.				
<b>a</b> Applied to 2010, but not more than line 2a			391,062.	
<b>b</b> Applied to undistributed income of prior years (Election required - see instructions)		0.		
<b>c</b> Treated as distributions out of corpus (Election required - see instructions)	0.			
<b>d</b> Applied to 2011 distributable amount				7,788.
<b>e</b> Remaining amount distributed out of corpus	0.			
<b>5</b> Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
<b>6</b> Enter the net total of each column as indicated below:	0.			
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
<b>b</b> Prior years' undistributed income. Subtract line 4b from line 2b		0.		
<b>c</b> 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.		
<b>d</b> Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
<b>e</b> Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
<b>f</b> Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				368,348.
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
<b>8</b> Excess distributions carryover from 2006 not applied on line 5 or line 7	0.			
<b>9</b> Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	0.			
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2007				
<b>b</b> Excess from 2008				
<b>c</b> Excess from 2009				
<b>d</b> Excess from 2010				
<b>e</b> Excess from 2011				



**Part XV** **Supplementary Information** (continued)

<b>3 Grants and Contributions Paid During the Year or Approved for Future Payment</b>				
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
<b>a Paid during the year</b>				
SEE ATTACHED SCHEDULE OF SCHOLARSHIPS AWARDED	N/A	N/A	COLLEGE SCHOLARSHIPS	245,000.
SEE ATTACHED SCHEDULE OF CONTRIBUTIONS	N/A	501(C)(3)	THE CONTRIBUTIONS ARE NOT CONTROLLED BY THE FOUNDATION BUT BY THE RECIPIENTS	146,250.
<b>Total</b>			<b>3a</b>	391,250.
<b>b Approved for future payment</b>				
NONE				
<b>Total</b>			<b>3b</b>	0.



## Part XVII

## Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

- |          |  | Yes          | No       |
|----------|--|--------------|----------|
| <b>1</b> | 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?  |              |          |
| <b>a</b> | Transfers from the reporting foundation to a noncharitable exempt organization of:   |              |          |
|          | (1) Cash   | <b>1a(1)</b> | <b>X</b> |
|          | (2) Other assets   | <b>1a(2)</b> | <b>X</b> |
| <b>b</b> | Other transactions:  |              |          |
|          | (1) Sales of assets to a noncharitable exempt organization   | <b>1b(1)</b> | <b>X</b> |
|          | (2) Purchases of assets from a noncharitable exempt organization   | <b>1b(2)</b> | <b>X</b> |
|          | (3) Rental of facilities, equipment, or other assets   | <b>1b(3)</b> | <b>X</b> |
|          | (4) Reimbursement arrangements   | <b>1b(4)</b> | <b>X</b> |
|          | (5) Loans or loan guarantees   | <b>1b(5)</b> | <b>X</b> |
|          | (6) Performance of services or membership or fundraising solicitations   | <b>1b(6)</b> | <b>X</b> |
| <b>c</b> | Sharing of facilities, equipment, mailing lists, other assets, or paid employees   | <b>1c</b>    | <b>X</b> |
| <b>d</b> | 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. |              |          |

[illegible]

- 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.

Signature of officer or trustee Bruce W. Vanderbloemen Date 10/14/13 Title CHAIRMAN

May the IRS discuss this return with the preparer shown below (see instr )?

☒ Yes ☐ No**Paid  
Preparer  
Use Only**

Print/Type preparer's name <b>VICTORIA A MARTIN, CPA</b>	Preparer's signature <b>VICTORIA A MARTIN</b>	Date <b>10/09/13</b>	Check <input type="checkbox"/> if self-employed	PTIN <b>P00176721</b>
Firm's name ► <b>MARTIN STARNES &amp; ASSOCIATES, CPAS, P.A.</b>			Firm's EIN ► <b>56-1761202</b>	
Firm's address ► <b>730 13TH AVENUE DR SE HICKORY, NC 28602</b>			Phone no. <b>828-327-2727</b>	

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FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

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SOURCE	AMOUNT
INTEREST - BANK OF AMERICA	4.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	4.

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FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DIVIDENDS - MERRILL LYNCH	187,112.	0.	187,112.
INTEREST - MERRILL LYNCH	24,683.	0.	24,683.
TOTAL TO FM 990-PF, PART I, LN 4	211,795.	0.	211,795.

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FORM 990-PF OTHER INCOME STATEMENT 3

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DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
MISCELLANEOUS INCOME	2,751.	2,751.	
TOTAL TO FORM 990-PF, PART I, LINE 11	2,751.	2,751.	

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FORM 990-PF ACCOUNTING FEES STATEMENT 4

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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	18,500.	18,500.		0.
TO FORM 990-PF, PG 1, LN 16B	18,500.	18,500.		0.

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FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BOOKKEEPING SERVICES	10,200.	10,200.		0.
TO FORM 990-PF, PG 1, LN 16C	10,200.	10,200.		0.

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FORM 990-PF	OTHER EXPENSES	STATEMENT	6
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
COMMISSIONS AND FEES	98,870.	98,870.		0.
SCHOLARSHIP DINNER	2,085.	2,085.		0.
OFFICE EXPENSES	2,754.	2,754.		0.
FOREIGN TAX EXPENSE	3,247.	3,247.		0.
TO FORM 990-PF, PG 1, LN 23	106,956.	106,956.		0.

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FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS	STATEMENT	7
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DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
US GOVERNMENT OBLIGATIONS	X		0.	0.
TOTAL U.S. GOVERNMENT OBLIGATIONS				
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			0.	0.

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FORM 990-PF	CORPORATE STOCK	STATEMENT	8
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCK	0.	0.
TOTAL TO FORM 990-PF, PART II, LINE 10B	0.	0.

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FORM 990-PF	CORPORATE BONDS	STATEMENT	9
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS	0.	0.
TOTAL TO FORM 990-PF, PART II, LINE 10C	0.	0.

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FORM 990-PF	OTHER INVESTMENTS	STATEMENT	10
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
MUTUAL FUNDS	FMV	0.	0.
OIL AND GAS INTEREST	FMV	0.	0.
UST EXCELSIOR MULTI-STRATEGY FUND	FMV	0.	0.
TOTAL TO FORM 990-PF, PART II, LINE 13		0.	0.

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FORM 990-PF                      PART VIII - LIST OF OFFICERS, DIRECTORS                      STATEMENT 11  
    TRUSTEES AND FOUNDATION MANAGERS

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NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
GARY W. BRADFORD 407 STONECROFT ESTATES LENOIR, NC 28645	TRUSTEE 2.00	400.	0.	0.
LESLIE D. HINES, JR. 512 STONECROFT CT. SE LENOIR, NC 28645	TRUSTEE 2.00	1,600.	0.	0.
CHARLES E. DOBBIN 435 HIBRITEN DRIVE SE LENOIR, NC 28645	TRUSTEE 2.00	400.	0.	0.
WAYNE J. MILLER, JR. 414 HIGHLAND AVE SW LENOIR, NC 28645	TRUSTEE 2.00	400.	0.	0.
BETTY LOU MILLER 414 HIGHLAND AVE SW LENOIR, NC 28645	TRUSTEE 2.00	1,600.	0.	0.
BRUCE VANDERBLOEMEN PO BOX 1320 LENOIR, NC 28645	TRUSTEE 2.00	1,600.	0.	0.
JENNIE GOODMAN DEAL 2950 WILLOWBROOK ROAD LENOIR, NC 28645	TRUSTEE 2.00	1,600.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		7,600.	0.	0.

**The Coffey Foundation, Inc.**

**Scholarships Awarded**

FID: 56-6047501

For the Year Ended November 30, 2012

Taylor Leigh Ramsey	Appalachian State University	ASU Box 32005 Boone, NC 28608	8,000
Syndney R. Sides	Appalachian State University	ASU Box 32005 Boone, NC 28608	8,000
Austin G. Beard	Campbell University	PO Box 567, Buies Creek, NC 27506	8,000
Joshua T. Randolph	Davidson College	PO Box 7157 Davidson, NC 28035	8,000
Joshua McMenemy	Duke University	2138 Campus Dr Durham, NC 27705	8,000
Jeremiah Jordan Hamby	Gardner Webb University	PO Box 997 Boiling Springs, NC 28017	8,000
Samantha H. Redman	Gardner-Webb University	PO Box 997 Boiling Springs, NC 28017	8,000
Tyler H. Ervin	Georgia Tech	225 North Ave Atlanta, GA 30332-0460	8,000
Ashton P. Kirby	High Point University	833 Montileu Avenue, High Point, NC 27262	8,000
Blanca Gisselle Parada	Johnson C Smith University	100 Beatties Ford Rd Charlotte, NC 28216	4,000
Lauren N. Davis	Lenoir Rhyne University	PO Box 7419 Hickory, NC 28603	8,000
Zachary C. Greer	Lenoir Rhyne University	PO Box 7419 Hickory, NC 28603	8,000
Santara Logan Greene	Liberty University	1971 University Boulevard, Lynchburg, VA 24502	8,000
Patrick D. Livingston	UNC Chapel Hill	PO Box 1080, 300 Pettigrew Chapel Hill, NC 28514	8,000
Laura Robertson	UNC Chapel Hill	PO Box 1080, 300 Pettigrew Chapel Hill, NC 28514	8,000
Hillary E. Bush	UNC Chapel Hill	PO Box 1080, 300 Pettigrew Chapel Hill, NC 28514	8,000
Joshua D. Miller	UNC Chapel Hill	PO Box 1080, 300 Pettigrew Chapel Hill, NC 28514	8,000
Kasey T. Gragg	UNC Chapel Hill	PO Box 1080, 300 Pettigrew Chapel Hill, NC 28514	8,000
James D. Johnson, Jr.	UNC Chapel Hill	PO Box 1080, 300 Pettigrew Chapel Hill, NC 28514	8,000
Christopher J. Hendel	UNC Chapel Hill	PO Box 1080, 300 Pettigrew Chapel Hill, NC 28514	8,000
Travis E. Styres	UNC Chapel Hill	PO Box 1080, 300 Pettigrew Chapel Hill, NC 28514	8,000
Jennifer A. Hughes	UNC Chapel Hill	PO Box 1080, 300 Pettigrew Chapel Hill, NC 28514	8,000
Douglas Terry	UNC Chapel Hill	PO Box 1080, 300 Pettigrew Chapel Hill, NC 28514	8,000
Keely M. Mullally	UNC Chapel Hill	PO Box 1080, 300 Pettigrew Chapel Hill, NC 28514	8,000
Colby Ford	UNC Charlotte	9201 University City Blvd Charlotte, NC 28223	8,000
Spencer Hamilton Greer	UNC Charlotte	9201 University City Blvd Charlotte, NC 28223	8,000
Devin Potter	University of South Carolina	816 Bull St Columbia, SC 29208	8,000
Caitlin D. Bush	Wake Forest University	1834 Wake Forest Road Winston-Salem, NC 27109	8,000
Bryson C. Rominger	Wake Forest University	1834 Wake Forest Road Winston-Salem, NC 27109	8,000
Morgan Carlton	Wake Forest University	1834 Wake Forest Road Winston-Salem, NC 27109	8,000
Emily N. Benfield	Individual Grant	59 Pinewood Road Granite Falls, NC 28630	1,000
Brittany N. Bolger	Individual Grant	1996 Wild Briar Lane Lenoir, NC 28645	1,000
Josh S. Bollinger	Individual Grant	12 Margaret Ct. Granite Falls, NC 28630	1,000
Alexis M. Branch	Individual Grant	206 Hudson Cahah Mtn. Rd. Hudson, NC 28638	1,000
Cody G. Huffman	Individual Grant	2971 Morganton Blvd. Lenoir, NC 28645	1,000
William H. Long	Individual Grant	805 Devonshire Court Lenoir, NC 28645	1,000
Carlos A. Tovar	Individual Grant	4090 Burl Street Hudson, NC 28638	1,000
Daniel S. Taylor	Individual Grant	3635 Hollywood Ridge Road Lenoir, NC 28645	1,000
Leah Michaela Bouchard	Individual Grant	737 Pleasant Hill Road Lenoir, NC 28645	1,000
<b>Total Scholarships Awarded</b>			<b>\$ 245,000</b>

**The Coffey Foundation, Inc.**  
**Contributions**  
FID: 56-6047501  
For the Year Ended November 30, 2012

Foundation of Caldwell Community College	PO Box 1613, Lenoir, NC 28645	501(c)(3)	\$	30,000
Helping Hands Clinic	PO Box 1341, Lenoir, NC 28645	501(c)(3)		12,000
Shelter Home of Caldwell County	PO Box 2422, Lenoir, NC 28645	501(c)(3)		12,000
Caldwell House, Inc.	PO Box 2784, Lenoir, NC 28645	501(c)(3)		10,000
Communities in Schools	951 Kenham Place, Lenoir, NC 28645	501(c)(3)		10,000
The Education Foundation of CC Schools	PO Box 1890, Lenoir, NC 28645	501(c)(3)		10,000
United Way of Caldwell County	216 Eastwood Park, Lenoir, NC 28645	501(c)(3)		10,000
Catawba Science Center	PO Box 933, Lenoir, NC 28645	501(c)(3)		6,000
Caldwell County Habitat for Humanity	PO Box 2431, Hickory, NC 28603	501(c)(3)		5,750
Grandfather Home for Children	PO Box 959, Lenoir, NC 28645	501(c)(3)		5,000
Lenoir Soup Kitchen	PO Box 249, Crossnore, NC 28616	501(c)(3)		5,000
Caldwell County Yokefellow	1792 Ft. Defiance Dr., Lenoir, NC 28645	501(c)(3)		4,000
James C. Harper School of Performing Arts	PO Box 600, Lenoir, NC 28645	501(c)(3)		4,000
Robin's Nest	PO Box 98, Banner Elk, NC 28604	501(c)(3)		3,500
Caldwell Arts Council	810 Harper Ave, Lenoir, NC 28645	501(c)(3)		3,000
South Caldwell Christian Ministries	PO Box 390, Lenoir, NC 28645	501(c)(3)		3,000
Crossnore School, Inc.	PO Box 128, Banner Elk, NC 28604	501(c)(3)		2,500
Lees-McRae College	PO Box 1054, Lenoir, NC 28645	501(c)(3)		2,500
Caldwell Friends	PO Box 646, Lenoir, NC 28645	501(c)(3)		2,000
Caldwell People	PO Box 426, Lenoir, NC 28645	501(c)(3)		2,000
Caldwell Senior Center, Inc.	PO Box 359, Granite Falls, NC 28630	501(c)(3)		2,000
Fort Defiance, Inc.	1914 Hickory Blvd SW, Lenoir, NC 28645	501(c)(3)		1,500
Caldwell Memorial Hospital Foundation	PO Box 1316, Lenoir, NC 28645	501(c)(3)		500
<b>Total Contributions</b>			<b>\$</b>	<b><u>146,250</u></b>

# THE COFFEY FOUNDATION SCHOLARSHIP

Exhibit A

## Application Form

Name \_\_\_\_\_  
Last
First
Middle
Telephone Number

Address \_\_\_\_\_, North Carolina \_\_\_\_\_  
Route or Street
Box
City
Zip Code

Age \_\_\_\_\_ Date of Birth \_\_\_\_\_ Sex: M \_\_\_\_\_ F \_\_\_\_\_ Married \_\_\_\_\_ Single \_\_\_\_\_  
Month/Day/Year

Father's Name \_\_\_\_\_ Living \_\_\_\_\_ Deceased \_\_\_\_\_  
Last
First
Middle

Mother's Name \_\_\_\_\_ Living \_\_\_\_\_ Deceased \_\_\_\_\_  
Last
First
Middle

Please list children in family, including yourself, in chronological order:

Name (first)	Age	What year in school?	Place of Employment	Married	Single	Living at home?

### INFORMATION REGARDING PARENTS' EMPLOYMENT:

Father's Employer \_\_\_\_\_ Type of work done: \_\_\_\_\_

Mother's Employer \_\_\_\_\_ Type of work done: \_\_\_\_\_

### INFORMATION REGARDING OTHER FINANCIAL ASSISTANCE:

Please list scholarships that you have applied for and amounts received:

Name of Grant/Scholarship			Amount/Year			Official Notification		
						Approved	Denied	Do Not Know
1								
2								
3								
4								

Name of high school that you attended \_\_\_\_\_

Name(s) of colleges or universities where you have been accepted \_\_\_\_\_

Name of college or university that you plan to attend \_\_\_\_\_

Course of study \_\_\_\_\_

Your scholastic rating in your Senior Class \_\_\_\_\_ Number of students in your high school graduating class \_\_\_\_\_

Class offices held and year \_\_\_\_\_

#### HOBBIES & SPECIAL INTERESTS (Please describe)

#### HONORS & AWARDS

Academic (list) \_\_\_\_\_

Athletic (list) \_\_\_\_\_

Other (list) \_\_\_\_\_

#### MEANINGFUL ACTIVITIES

In all your school/community activities, what two activities have been most meaningful to you, and why?

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

#### PLEASE INCLUDE THE FOLLOWING WITH YOUR APPLICATION:

- A recent school photograph
- An original written paper stating why a particular course of study and future work was chosen.
- Complete transcript of applicant's high school courses and grades.
- Results of supplemental tests (examples: College Entrance, California Mental, California Achievement, etc.).

Exhibit B

December 5, 1980

Assistant Commissioner  
Employee Plans and Exempt Organizations  
Internal Revenue Service  
Washington, D. C. 20224

Attention: EEO:T

Dear Sir:

Pursuant to Section 4945(g) of the Internal Revenue Code and Regulations 53.4945-4(d)(1), we are submitting the following information concerning grants made by The Coffey Foundation:

GENERAL INFORMATION:

The Coffey Foundation, Inc. is a nonprofit organization which was established in 1954 to receive and administer funds for religious, charitable, scientific, educational and literary purposes. The Foundation has consistently filed Forms 990-PF through its taxable year ended November 30, 1979. The Foundation's Employer Identification Number is 56-6047501.

The Coffey Foundation was established by members of the F. H. Coffey Family and stockholders of Kent-Coffey Manufacturing Company. Kent-Coffey Manufacturing Company has since been dissolved. The only remaining original members of the Board of Trustees for the Foundation are W. H. Maynard, Sr., now semiretired and affiliated with Singer Company - Furniture Division and Ethel Coffey Hoyle. All present members of the Board are from various walks of life.

Members: Wayne J. Miller, Jr. - Vice President, Hammary Furniture  
W. Ray Cunningham - Vice President, N.C.N.B.  
W. H. Maynard, Sr. - Vice President, Singer Company  
Gary Bradford - Manager of Customer Service, Bernhardt Furniture Industries  
Percy Deverick - Semiretired  
Carolyn T. Coffey - F. H. Coffey's Daughter-in-Law  
Ethel Coffey Hoyle - F. H. Coffey's Daughter

Prior to the effective date of Code Section 4945(g), the Foundation had made loans to local students for educational purposes. However, since the effective date of this new law, the Foundation has not made any new loans.

During the current year, the Foundation decided it would be a worth while community project to award scholarships and to once again make loans to individuals to further their education at the college level. For this reason, the Foundation has decided to create THE COFFEY FOUNDATION AWARDS which will include THE COFFEY FOUNDATION SCHOLARSHIP and THE COFFEY FOUNDATION LOAN PROGRAMS which are intended to assist qualified students who are residents of Caldwell County in furthering their education.

THE OBJECTIVES OF THE COFFEY FOUNDATION AWARDS:

- I. To encourage the characteristics of industriousness, initiative, resourcefulness and other worthwhile personal characteristics of Caldwell County high school students.
- II. To recognize, reward and develop specific talents that provide potentials for development into creativity, leadership and service.
- III. To encourage students to further their education and in doing so to learn the workings of the various economic systems of our country.

SELECTION PROCEDURES:

Each high school in Caldwell County through principals, teachers, advisors, etc., will be informed of THE COFFEY FOUNDATION AWARDS and will be given a supply of application forms for the awards (a copy of this form is attached). Booklets and brochures will also be distributed to the high schools, and additional brochures and booklets will be available to any individual who desires to apply for the award.

A Screening Committee will be established at each high school. This committee will consist of four individuals including the principal and three individuals who are either teachers, advisors or counselors. The other three members of this Screening Committee will be selected by the principal. The Screening Committee from each high school will select no more than three candidates from potential applicants within their school. These three applicants will then be interviewed by the Selection Committee which shall make final decisions regarding the awards.

The Selection Committee will be comprised of no more than five members and no less than three members. These members will be selected and appointed annually by the Board of Trustees of The Coffey Foundation, Inc. Each year the Selection Committee will be informed by Board of Trustees of the moneys available for Awards. The amount of the Awards may vary from year to year. It is the Foundation's intention that the amounts of these Awards will be based upon the financial need of the recipient as well as the cost of the particular college or university the recipient has selected to attend. In no case, however, shall an Award exceed the amount necessary to pay the cost of tuition, room, board, books and other direct educational expenses.

The Selection Committee shall select individuals to receive the available Awards after completing the selection process. This process includes a detailed review of each application. Then, each applicant will be privately interviewed by the Selection Committee. The decision of the Selection Committee shall be based on the following criteria:



- (A) The personal characteristics of the applicant such as initiative, industriousness, ambition, and enterprise.
- (B) A satisfactory academic high school record.
- (C) Qualifications for acceptance at an accredited college or university of the Southern Association of Colleges and Secondary Schools or the equivalent.
- (D) Participation and leadership in extra curricular high school activities.
- (E) Citizenship and service to the community.
- (F) Employment record and accomplishments, particularly in overcoming disadvantages and obstacles.
- (G) An original written paper stating why a particular course of study and future work was chosen.
- (H) Ability to express oneself orally, and present oneself favorably in a final interview before the Selection Committee.

No member of the Selection Committee shall be in a position to derive a private benefit, directly or indirectly, if certain potential grantees are selected over others. Children or other relatives of the Selection Committee or any member of the Board of Trustees of The Coffey Foundation shall not be eligible for these awards.

TERMS AND CONDITIONS OF THE COFFEY FOUNDATION AWARD:

The Awards will be made only for attendance at an accredited college or university of the applicants choice provided it is a member of the Southern Association of Colleges and Secondary Schools or the equivalent. The purpose of this requirement is to select students who wish to attend, and are capable of attending, bona fide accredited colleges and universities. The Coffey Foundation Awards are scholarships and loans to pay for directly related educational expenses of attending such colleges and universities. It is the intention of the Foundation that these awards will be made in an amount to pay tuition and other direct educational expenses necessary for a student to complete his four years of college education. However, each award is subject to an annual review by the Selection Committee. If the Committee decides that such an award shall not be continued, it will stop.

The scholarships shall be awarded to those applicants that the Selection Committee determines best satisfy the criteria for selection. After all available scholarships are awarded, then the Selection Committee will award the loans to be made for the year to individuals selected from the remaining applicants.

Loans made will be repaid to the Foundation after the grantee leaves college (e.g. after graduation or after withdrawing from school for any other reason). Interest at 6% per year will accrue on the loan. Such accruals will begin 6 months after the grantee leaves school. The terms of the loan repayment will be determined by the Selection Committee based upon the grantee's ability to pay. Determination of the repayment schedule will be made when the grantee leaves school.

PROCEDURES FOR EXERCISING SUPERVISION OVER THE AWARDS:

All moneys paid under the award program will be paid directly to the colleges or universities with any unused moneys being returned to The Coffey Foundation. Also, all students selected to receive The Coffey Foundation Awards must instruct the college or university to release grades and other pertinent information including awards and honors received to the Selection Committee upon request. The student must also agree that all unused moneys be returned to The Coffey Foundation should there be a refund due, for example, if the student is unable to complete a year of study for any reason. The Coffey Foundation will receive a copy of the grantees grades each reporting period. If any awards are made to grantees whose study at the educational institution does not involve the taking of courses, but only the preparation of research papers or projects, such as the writing of a doctoral thesis, the Foundation will arrange to receive a brief report of the progress of the paper or project at least once a year. The report will be approved by a faculty member supervising the grantee or by some other appropriate university official. A final report will be obtained by the Foundation upon the grantees completion of study at the educational institution.

PROCEDURES FOR REVIEW OF GRANTEE REPORTS, INVESTIGATION OF DIVERTED FUNDS, AND RECOVERY OF DIVERTED GRANT FUNDS:

As mentioned previously, even though The Coffey Foundation Awards may be made for a four year academic term, the continuation of this award will depend upon a review by the Selection Committee. All students selected to receive a Coffey Foundation Award must give permission for the college or university to release grades and other pertinent information to the Selection Committee upon request. The continuation of the award shall be based upon the review of the Selection Committee of the grantees courses to be taken for a particular academic period and the grades received for such period and a review of extracurricular activities. For each grading period, the Selection Committee, after receiving a transcript of the grades, will review the students academic performance. If poor grades are shown on the transcript or other problems arise, special conferences will be arranged with the student and a member of the Selection Committee to discuss his grades. The continuation of the grant will be contingent upon this review process.

By receiving transcripts for each student directly from the college or university to ascertain that the student is attending such college or university and by writing the checks for tuition and other direct educational expenses directly to the college or university, the Foundation can be certain that the funds are being used for the purposes for which they were intended. As previously mentioned, where a student has received an award and drops out of school, the school will be instructed to refund the moneys not used directly to The Coffey Foundation. The Foundation will follow up to make certain this is done.

Where information received from the college or from other sources indicates that all or any part of the award is not being used in furthering the purposes of the award, the Foundation will investigate the situation thoroughly. While conducting an investigation, the Foundation will withhold any further payments to the extent possible, until satisfied the funds will be used for college tuition. The Foundation will take all reasonable and appropriate steps either to recover the funds or to ensure their restoration to the uses for which the grant was intended. Depending upon the circumstances, the Foundation may make further payments for the tuition of the grantee but only after the Foundation has received the grantee's assurances that further diversion will not occur and has required the grantee to take any necessary precautions to prevent further diversions of funds.

In any case where a grantee has previously diverted funds received from the Foundation, and the Foundation determines that any part of the award has again been used for improper purposes, the Foundation will take all reasonable steps to recover the grant funds or to ensure the restoration of the funds and the use of the funds for direct college expenses. In such a case, the Foundation will withhold further payments until such funds are recovered, it has received the grantee's assurances that further diversions will not occur, and the grantee has been required to take any necessary precautions to prevent future diversions.

If additional information is needed concerning The Coffey Foundation Awards, please contact us.

Very truly yours,

THE COFFEY FOUNDATION, INC.

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only Part II and check this box ☒

**Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

- If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

**Part II** **Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Type or print  File by the due date for filing your return. See instructions.	Enter filer's identifying number, see instructions	
	Name of exempt organization or other filer, see instructions <b>THE COFFEY FOUNDATION, INC.</b>	Employer identification number (EIN) or <input checked="" type="checkbox"/> <b>56-6047501</b>
	Number, street, and room or suite no. If a P.O. box, see instructions <b>POST OFFICE BOX 1161</b>	Social security number (SSN) <input type="checkbox"/>
City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>LENOIR, NC 28645</b>		

Enter the Return code for the return that this application is for (file a separate application for each return)

**04**

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

### HARRIET HINES

- The books are in the care of **512 STONECROFT COURT SE - LENOIR, NC 28645**

Telephone No. **(828) 754-9479**

FAX No. ☐

- If the organization does not have an office or place of business in the United States, check this box ☐

- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ☐. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **OCTOBER 15, 2013.**

5 For calendar year **2011**, or other tax year beginning **DEC 1, 2011**, and ending **NOV 30, 2012**.

6 If the tax year entered in line 5 is for less than 12 months, check reason: ☐ Initial return ☐ Final return

☐ Change in accounting period

7 State in detail why you need the extension

**ADDITIONAL TIME IS REQUESTED IN ORDER TO COMPILE INFORMATION TO COMPLETE THE TAX RETURN**

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$	36,812.
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$	36,812.
c	Balance due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$	0.

### Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature **Jace L. Rash, CPA** Title **Tax Preparer**

Date **7/11/13**

# Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

► **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

**Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868

**Electronic filing (e-file).** You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on *e-file for Charities & Nonprofits*.

## **Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete

Part I only ☐

*All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns*

<b>Type or print</b>	Name of exempt organization or other filer, see instructions	Employer identification number (EIN) or
	<b>THE COFFEY FOUNDATION, INC.</b>	<input checked="" type="checkbox"/> <b>56-6047501</b>
	Number, street, and room or suite no. If a P.O. box, see instructions	Social security number (SSN)
	<b>POST OFFICE BOX 1161</b>	<input type="checkbox"/>
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	<b>LENOIR, NC 28645</b>	

Enter the Return code for the return that this application is for (file a separate application for each return)

**0 4**

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**HARRIET HINES**

- The books are in the care of ► **512 STONECROFT COURT SE - LENOIR, NC 28645**

Telephone No. ► **(828) 754-9479**

FAX No. ►

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

**1** I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **JULY 15, 2013**, to file the exempt organization return for the organization named above. The extension is for the organization's return for.

► ☐ calendar year \_\_\_\_\_ or

► ☒ tax year beginning **DEC 1, 2011**, and ending **NOV 30, 2012**.

**2** If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return  
☐ Change in accounting period

<b>3a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>3a</b>	\$	<b>36,812.</b>
<b>b</b> If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	<b>3b</b>	\$	<b>8,812.</b>
<b>c Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$	<b>28,000.</b>

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Form **8868** (Rev. 1-2012)