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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





2012


Open to Public Inspection

For calendar year 2012, or tax year beginning 01-01-2012 , and ending 12-31-2012

Name of foundation THE RILEY FOUNDATION		A Employer identification number 64-0707746	
Number and street (or P O box number if mail is not delivered to street address) 4518 POPLAR SPRINGS DRIVE		B Telephone number (see instructions)	
City or town, state, and ZIP code MERIDIAN, MS 39305		C If exemption application is pending, check here <input type="checkbox"/>	
G Check all that apply <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>	
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>	
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 58,956,072		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>	
J Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) (Part I, column (d) must be on cash basis.)			

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)				
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities.	2,291,786	2,291,786		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	181,882			
	b Gross sales price for all assets on line 6a _____ 9,637,086				
	7 Capital gain net income (from Part IV, line 2)		180,610		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
Operating and Administrative Expenses	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)	206,910	206,910		
	12 Total. Add lines 1 through 11	2,680,578	2,679,306		
	13 Compensation of officers, directors, trustees, etc	324,000	98,500		188,000
	14 Other employee salaries and wages	152,308	5,940		137,458
	15 Pension plans, employee benefits	121,494	7,879		93,753
	16a Legal fees (attach schedule)	24			24
	b Accounting fees (attach schedule)	19,275	4,819		4,856
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	53,576			
	19 Depreciation (attach schedule) and depletion . . .	89,311			
	20 Occupancy	72,869	14,574		43,163
	21 Travel, conferences, and meetings	3,570	97		3,327
	22 Printing and publications				
	23 Other expenses (attach schedule)	133,038	9,921		94,446
	24 Total operating and administrative expenses. Add lines 13 through 23	969,465	141,730		565,027
	25 Contributions, gifts, grants paid	2,472,595			2,472,595
	26 Total expenses and disbursements. Add lines 24 and 25	3,442,060	141,730		3,037,622
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-761,482			
	b Net investment income (if negative, enter -0-)		2,537,576		
	c Adjusted net income (if negative, enter -0-)			0	

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing			
	2	Savings and temporary cash investments	3,066,924	1,180,606	1,180,606
	3	Accounts receivable ▶ _____ Less allowance for doubtful accounts ▶ _____			
	4	Pledges receivable ▶ _____ Less allowance for doubtful accounts ▶ _____			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7	Other notes and loans receivable (attach schedule) ▶ _____ Less allowance for doubtful accounts ▶ _____			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges	36,771	1,476	1,476
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)	43,530,986	 41,810,961	41,810,961
	c	Investments—corporate bonds (attach schedule).	4,824,986	 12,250,330	12,250,330
	11	Investments—land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	93,401	 125,568	125,568
	14	Land, buildings, and equipment basis ▶ <u>3,705,667</u> Less accumulated depreciation (attach schedule) ▶ <u>1,327,759</u>	2,460,635	 2,377,908	3,587,131
15	Other assets (describe ▶ _____)				
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	54,013,703	57,746,849	58,956,072	
Liabilities	17	Accounts payable and accrued expenses	2,186	2,934	
	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)	2,186	2,934	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted	54,011,517	57,743,915	
	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	Total net assets or fund balances (see page 17 of the instructions)	54,011,517	57,743,915	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	54,013,703	57,746,849	

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)	<table><tr><td>1</td><td>54,011,517</td></tr></table>	1	54,011,517
1	54,011,517			
2	Enter amount from Part I, line 27a	<table><tr><td>2</td><td>-761,482</td></tr></table>	2	-761,482
2	-761,482			
3	Other increases not included in line 2 (itemize) ▶ _____ 	<table><tr><td>3</td><td>4,493,880</td></tr></table>	3	4,493,880
3	4,493,880			
4	Add lines 1, 2, and 3	<table><tr><td>4</td><td>57,743,915</td></tr></table>	4	57,743,915
4	57,743,915			
5	Decreases not included in line 2 (itemize) ▶ _____	<table><tr><td>5</td><td></td></tr></table>	5	
5				
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	<table><tr><td>6</td><td>57,743,915</td></tr></table>	6	57,743,915
6	57,743,915			

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	See Additional Data Table			
b				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a See Additional Data Table			
b			
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 See Additional Data Table			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	180,610
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 page 18 of 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))
2011	4,850,436	53,173,393	0 091219
2010	2,069,069	50,032,501	0 041354
2009	1,320,792	40,518,309	0 032597
2008	1,910,827	46,249,152	0 041316
2007	4,458,046	57,057,152	0 078133

2 Total of line 1, column (d).	2	0 28462
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 056924
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5.	4	53,852,834
5 Multiply line 4 by line 3.	5	3,065,519
6 Enter 1% of net investment income (1% of Part I, line 27b).	6	25,376
7 Add lines 5 and 6.	7	3,090,895
8 Enter qualifying distributions from Part XII, line 4. 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	8	3,043,659

Part VIExcise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a		Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> 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 <input type="checkbox"/> and enter 1% of Part I, line 27b		1	50,752
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	50,752
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	50,752
6		Credits/Payments			
a		2012 estimated tax payments and 2011 overpayment credited to 2012	6a	52,228	
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	52,228
8		Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> 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	
10		Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid.		10	1,476
11		Enter the amount of line 10 to be Credited to 2013 estimated tax <input type="checkbox"/> 1,476	Refunded <input type="checkbox"/>	11	

Part VII-AStatements Regarding Activities

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?		Yes	No
		1a		No
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)?			No
	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		No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS?	2		No
	If "Yes," attach a detailed description of the activities.			
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		No
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?.	4a		No
b	If "Yes," has it filed a tax return on Form 990-T for this year?.	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year?	5		No
	If "Yes," attach the statement required by General Instruction T.			
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	Yes	
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	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> MS _____			
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	Yes	
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 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV	9		No
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		No

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		No
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		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	
Website address ►WWW.RILEYFOUNDATION.ORG				
14	The books are in care of ►ROBERT B DEEN JR	Telephone no ►(601) 481-1430		
	Located at ►4518 POPLAR SPRINGS DRIVE MERIDIAN MS	ZIP +4 ►39305		
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —Check here ► <input type="checkbox"/>			
	and enter the amount of tax-exempt interest received or accrued during the year ►	15		
16	At any time during calendar year 2012, 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		No
See 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? <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 type="checkbox"/> Yes <input checked="" 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 page 20 of the instructions)?	1b		
	Organizations relying on a current notice regarding disaster assistance check here. ► <input type="checkbox"/>			
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 2012?	1c		No
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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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).	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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b	If "Yes," did it have excess business holdings in 2012 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? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012.</i>)	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
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 2012?	4b		No

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)?

5b

Organizations relying on a current notice regarding disaster assistance check here.

☒

c

If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

☐ Yes ☐ No

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

6a

Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

b

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

6b

No

If "Yes" to 6b, file Form 8870.

7a

At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

b

If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

7b

Part VIII

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

1

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See Additional Data Table				

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.

2

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE".

Total number of others receiving over \$50,000 for professional services.	1
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Part IX-B Summary of Program-Related Investments (see instructions)

Total. Add lines 1 through 3.		
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Part X

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities.	1a	52,470,648
b	Average of monthly cash balances.	1b	1,891,346
c	Fair market value of all other assets (see instructions).	1c	310,934
d	Total (add lines 1a, b, and c).	1d	54,672,928
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	1e	
2	Acquisition indebtedness applicable to line 1 assets.	2	0
3	Subtract line 2 from line 1d.	3	54,672,928
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	820,094
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	53,852,834
6	Minimum investment return. Enter 5% of line 5.	6	2,692,642

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	2,692,642
2a	Tax on investment income for 2012 from Part VI, line 5.	2a	50,752
b	Income tax for 2012 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	50,752
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	2,641,890
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	2,641,890
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	2,641,890

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	3,037,622
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	6,037
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	3,043,659
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions).	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	3,043,659
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 2011	(c) 2011	(d) 2012
1		Distributable amount for 2012 from Part XI, line 7			
2		Undistributed income, if any, as of the end of 2012			
a		Enter amount for 2011 only.			
b		Total for prior years 20____, 20____, 20____			
3		Excess distributions carryover, if any, to 2012			
a	From 2007.	1,694,686			
b	From 2008.				
c	From 2009.				
d	From 2010.				
e	From 2011.	2,216,290			
f		3,910,976			
f		Total of lines 3a through e.			
4		Qualifying distributions for 2012 from Part XII, line 4 \$ 3,043,659			
a		Applied to 2011, 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 2012 distributable amount.			
e		401,769			2,641,890
e		Remaining amount distributed out of corpus			
5		Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a).)			
6		4,312,745			
6		Enter the net total of each column as indicated below:			
a		Corpus Add lines 3f, 4c, and 4e Subtract line 5			
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 2011 Subtract line 4a from line 2a Taxable amount—see instructions.			
f		Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013.			
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		1,694,686			
8		Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions).			
9		2,618,059			
9		Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a.			
10		Analysis of line 9			
a	Excess from 2008.				
b	Excess from 2009.				
c	Excess from 2010.				
d	Excess from 2011.	2,216,290			
e	Excess from 2012.	401,769			

Part XIVPrivate 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 2012, enter the date of the ruling.

b

Check box to indicate whether the organization is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

☐ 4942(j)(3) ☐ 4942(j)(5)

2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	Tax year	Prior 3 years			(e) Total
		(a) 2012	(b) 2011	(c) 2010	(d) 2009	
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 XVSupplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year—see instructions.)

1

Information Regarding Foundation Managers:

a

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

NONE

b

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

NONE

2

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

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

a

The name, address, and telephone number or e-mail of the person to whom applications should be addressed

BECKY FARLEY
4518 POPLAR SPRINGS DRIVE
MERIDIAN, MS 39305
(601) 481-1430

b

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

FOUNDATION APPLICATIONS PROVIDED UPON REQUEST

c

Any submission deadlines

NONE

d

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

LAUDERDALE COUNTY MISSISSIPPI

Form 990-PF (2012)

Part XV

Supplementary Information (continued)

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year See Additional Data Table				
Total			3a	2,472,595
b Approved for future payment MS STATE UNIVERSITY FDN P O BOX 6149 Mississippi State, MS 39762			RILEY NEXT STEP SCHOLARSHIP PROGRAM	100,000
MS STATE UNIVERSITY FDN P O BOX 6149 Mississippi State, MS 39762			STUDENT INTERSHIP PROGRAM	25,963
Total			3b	125,963

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
f _____					
g Fees and contracts from government agencies					
2 Membership dues and assessments.					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities.			14	2,291,786	
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.			15	206,910	
8 Gain or (loss) from sales of assets other than inventory			18	181,882	
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).				2,680,578	
13 Total. Add line 12, columns (b), (d), and (e).			13		2,680,578

[illegible]

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

[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

**Sign
Here**

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

*****	2013-04-24	*****	May the IRS discuss this return with the preparer shown below (see instr.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Signature of officer or trustee	Date	Title	

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

**Paid
Preparer
Use
Only**

Paid Preparer Use Only	Print/Type preparer's name	Preparer's Signature	Date	Check if self-employed <input checked="" type="checkbox"/>	PTIN P00500847
	GRADY H COLEMAN	GRADY H COLEMAN	2013-04-24		
	Firm's name <input type="checkbox"/>	COLEMAN & CO		Firm's EIN <input type="checkbox"/> 64-0901244	
		P O BOX 3629			
	Firm's address <input type="checkbox"/>	MERIDIAN, MS 39303		Phone no (601) 693-6917	

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
BAC CAP TR 17000 SHS PFD	P	2010-02-23	2012-01-06
SIMS METAL 33500 SHS COMMON	P	2003-12-16	2012-01-23
G E CAPITAL CORP 250000 CB	P	2004-02-13	2012-02-23
COMCAST 1917 SHS PFD	P	2006-09-14	2012-02-27
FREEPORT 50000 CB	P	2009-05-13	2012-03-14
CBS 22300 SHS PFD	P	2010-08-18	2012-03-28
EXELON 11500 SHS COMMON	P	2010-12-31	2012-03-06
FRONTIER 22900 SHS COMMON	P	2010-12-31	2012-03-06
COMCAST 2083 SHS PFD	P	2006-09-14	2012-04-20
QUEST COMMUNICATIONS	P	2010-12-31	2012-05-08
BANK OF AM 51000 CB	P	2002-02-08	2012-06-15
BANK OF AM 30000 CB	P	2007-07-09	2012-06-15
CORTS US WEST 9449 SHARES FIXED	P	2003-01-10	2012-06-15
FREEPORT 12500 SHS COMMON	P	2010-06-09	2012-06-11
PRUDENTIAL 200000 CB	P	2005-01-20	2012-07-16
JPM 250000 CB	P	2010-12-31	2012-07-12
JPM CHASE 2500000 CB	P	2010-07-08	2012-07-12
U S WEST 19009 SHS FIXED	P	2010-12-31	2012-07-24
BBT 11000 SHS FIXED	P	2010-08-18	2012-07-18
DUKE ENERGY FRACTION SHARE COMMON	P	2010-11-02	2012-07-01
CORTS FIFTH THIRD 19500 SHS FIXED	P	2010-09-16	2012-08-15
CORTS U S WEST 12042 SHS FIXED	P	2004-04-16	2012-08-16
PREMIAN BASIN 23500 SHS COMMON	P	2010-12-31	2012-08-23
SANDERSON 5000 SHS COMMON	P	2004-11-04	2012-08-23
CENTURYTEL 100000 CB	P	2006-11-09	2012-10-03
MERRILL LYNCH 100000 CB	P	2007-04-13	2012-10-05
QWEST 3000 SHARES FIXED	P	2011-06-23	2012-10-03
QWEST 4000 SHARES FIXED	P	2011-02-15	2012-10-03
QWEST 20000 SHS FIXED	P	2010-12-31	2012-10-03
QWEST 14000 SHS FIXED	P	2011-01-06	2012-10-03

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
KRAFT FRACTION SHS COMMON	P	2004-11-19	2012-10-01
BANK OF AM 100000 CB	P	2006-11-06	2012-11-15
BANK OF AM 250000 CB	P	2010-07-08	2012-11-20
DIRECT TV 9400 SHS COMMON	P	2010-12-31	2012-11-14
WELLS FARGO 4000 SHS COMMON	P	2010-12-31	2012-11-14
WELLS FARGO 2900 SHS COMMON	P	2011-08-23	2012-11-14
BARCLAYS 18000 SHS PFD	P	2010-12-31	2012-12-06
BARCLAYS 26000 SHS PFD	P	2010-12-31	2012-12-06
FORTUNE 200000 CB	P	2008-04-18	2012-12-06

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
375,589		385,135	-9,546
466,398		407,079	59,319
250,000		250,000	
47,925		47,925	
52,277		49,381	2,896
557,500		558,315	-815
447,681		478,585	-30,904
103,274		183,870	-80,596
52,075		52,075	
208			208
51,000		50,020	980
30,000		29,175	825
236,225		229,686	6,539
415,643		452,998	-37,355
200,000		199,000	1,000
250,000		257,955	-7,955
250,000		256,300	-6,300
475,225		459,974	15,251
275,000		298,069	-23,069
68		54	14
487,500		497,089	-9,589
301,050		301,499	-449
420,112		470,048	-49,936
200,699		164,450	36,249
105,180		93,250	11,930
100,000		98,500	1,500
80,541		77,037	3,504
107,611		108,900	-1,289
532,745		524,604	8,141
371,372		376,070	-4,698

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
6		3	3
100,000		100,000	
298,325		242,308	56,017
456,154		274,706	181,448
126,434		88,194	38,240
91,665		99,694	-8,029
440,630		449,858	-9,228
639,586		654,500	-14,914
241,388		190,170	51,218

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

[illegible]

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

[illegible]

Form 990PF Part VIII Line 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
ROBERT B DEEN JR	PRESIDENT CHAIRMAN 30 00	125,000	44,306	0
4518 POPLAR SPRINGS DRIVE MERIDIAN,MS 39305				
MARTY DAVIDSON	VP TREASURER 15 00	85,000	0	0
BOX 3804 MERIDIAN,MS 39303				
MALCOM PORTERA	VP SECRETARY 10 00	30,000	0	0
401 QUEEN CITY AVE Tuscaloosa,AL 35401				
RICHARD F RILEY JR	DIRECTOR 5 00	12,000	0	0
2630 THRUSH ROAD CHARLOTTESVILLE,VA 22901				
GAIL W RILEY	DIRECTOR 5 00	11,500	0	0
7642 STOCKTON AVE EL CERRITO,CA 94530				
EDWIN DOWNER	DIRECTOR 5 00	12,000	0	0
7642 POPLAR SPRINGS DRIVE Meridian,MS 39305				
TOMMY DULANEY	DIRECTOR 5 00	12,500	0	0
BOX 2929 MERIDIAN,MS 39302				
MARY ANN RILEY	DIRECTOR 5 00	12,000	0	0
1805 36TH ST MERIDIAN,MS 39305				
MANNY MITCHELL	DIRECTOR 5 00	12,000	0	0
100 49TH AVENUE Meridian,MS 39305				
CHRISTINE RILEY	DIRECTOR 5 00	12,000	0	0
3715 HIGHWAY 39 N Meridian,MS 39305				


Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
ASSOC OF SMALL FOUNDATIONS 33 WILD BERRY LANE Underhill,VT 05489			OPERATING SUPPORT	695
BOYS AND GIRLS CLUB P O BOX 4202 Meridian,MS 39304			SUMMER WORK PROGRAM	4,000
CARE LODGE DOMESTIC VIOLENCE P O BOX 5331 Meridian,MS 39302			SUMMER WORK PROGRAM	4,000
BOYS SCOUTS OF AMERICA NTL 2401 9TH STREET Meridian,MS 39301			PURCHASE TRUCK FOR CAMP BINACHI	5,500
BOY SCOUTS OF AMERICAN NTL 2401 9TH STREET Meridian,MS 39301			NEW EQUIPMENT FOR TECHNOLOGY UPGRADE	9,855
EAST MS BUSINESS DEVELOP FDN 1901 FRONT STEET STE A Meridian,MS 39301			SUMMER WORK PROGRAM	4,000
EAST MS BUSINESS DEVELOP FDN 1901 FRONT STREET STE A Meridian,MS 39301			ANNUAL SUPPORT	500
EAST MS BUSINESS DEVELOP FDN 1901 FRONT STREET STE A Meridian,MS 39301			OPERATING SUPPORT	1,000
HOPE VILLAGE FOR CHILDREN P O BOX 26 Meridian,MS 39302			SUMMER WORK PROGRAM	4,500
HABITAT FOR HUMANITY 1001 29TH AVE Meridian,MS 39301			SUMMER WORK PROGRAM	4,000
LAUDERDALE OUTREACH AND VOL 801 18TH AVE Meridian,MS 39301			SUMMER WORK PROGRAM	4,000
MERIDIAN ART ASSOCIATION 628 25TH AVE Meridian,MS 39301			OPERATING SUPPORT	10,000
MERIDIAN ART ASSOCIATION 628 25TH AVE Meridian,MS 39301			SUMMER WORK PROGRAM	4,000
MERIDAN COMMUNITY COLLEGE FDN 910 HWY 19 NORTH Meridian,MS 39301			TUITION GUARANTEE PROGRAM	15,000
MERIDIAN DISTRICT UMC 6210 HWY 39 NORTH Meridian,MS 39301			HANDICAP RAMPS	10,000

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
MERIDIAN SYMPHONY ASSOCIATION P O BOX 2171 Meridian,MS 39302			SUMMER WORK PROGRAM	4,000
MERIDIAN SYMPHONY ASSOCIATION P O BOX 2171 Meridian,MS 39302			SYMPHONY CONCERT AND RECORDERS	25,000
MDN LAUD COUNTY PUBLIC LIBRARY 2517 7TH STREET Meridian,MS 39301			E BOOK COLLECTION	10,000
ALDERSGATE PERSONAL CARE 6600 POPLAR SPRINGS DRIVE Meridian,MS 39305			SUMMER WORK PROGRAM	4,000
CONGREGATION BETH ISRAEL BROADMOOR SUBDIVISION Meridian,MS 39305			MEMORIAL CONTRIBUTION	500
MS JUNIOR MISS PROGRAM P O BOX 582 Meridian,MS 39302			SUMMER WORK PROGRAM	4,000
MISSISSIPPI STATE UNIVERSITY 610 ALLEN HALL Mississippi State,MS 39762			STUDENT INTERNSHIP PROGRAM	17,500
MISSISSIPPI STATE UNIVERSITY 610 ALLEN HALL Mississippi State,MS 39762			ARTS CREATE EXCELLENCE SUMMER PROGRAM	14,045
MISSISSIPPI STATE UNIVERSITY 610 ALLEN HALL Mississippi State,MS 39762			SUMMER WORK PROGRAM	4,000
MS STATE UNIVERSITY FOUNDATION P O BOX 6149 Mississippi State,MS 39762			KRESS BUILDING TO ENHANCE NEWBERRY RENOVATION	2,000,000
MS STATE UNIVERSITY FOUNDATION P O BOX 6149 Mississippi State,MS 39762			SCHOLARSHIP FUNDING FOR AREA COMM COLLEGE STUDENTS	100,000
MS STATE UNIVERSITY FOUNDATION P O BOX 6149 Mississippi State,MS 39762			MSU RILEY CENTER ENDOWMENT FUND	100,000
THE MONTGOMERY INSTITUTE P O BOX 1889 Meridian,MS 39302			SUMMER WORK PROGRAM	4,000
MULTI COUNTY COMMUNITY SERVICE P O BOX 905 Meridian,MS 39302			SUMMER WORK PROGRAM	4,000
SOUTHEASTERN COUNCIL OF FDNS 50 HURT PLAZA STE 350 Atlanta,GA 30303			OPERATING SUPPORT	4,500

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
STATE GAMES OF MISSISSIPPI P O BOX 5866 Meridian,MS 39302			SUMMER WORK PROGRAM	4,000
HOUSING AUTHORITY OF MERIDIAN 2423 E STREET Meridian,MS 39302			SUMMER WORK PROGRAM	4,000
UNITED WAY OF EAST MS WEST AL 2003 23RD AVE Meridian,MS 39301			ENDOWMENT MATCH	75,000
UNITED WAY OF EAST MS WEST AL 2003 23RD AVE Meridian,MS 39301			SUMMER WORK PROGRAM	4,000
UNITED WAY OF EAST MS WEST AL 2003 23RD AVE Meridian,MS 39301			SUMMER WORK PROGRAM	4,000
UNITED WAY OF EAST MS WEST AL 2003 23RD AVE Meridian,MS 39301			OPERATING SUPPORT	5,000
Total  3a				2,472,595

Form **4562**
Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545-0172

2012

Attachment
Sequence No **179**

Name(s) shown on return
THE RILEY FOUNDATION

Business or activity to which this form relates
FORM 990PF - 1

Identifying number

64-0707746

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	\$ 2,000,000
4	Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost	
6				
7	Listed property Enter the amount from line 29	7		
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8		
9	Tentative deduction Enter the smaller of line 5 or line 8	9		
10	Carryover of disallowed deduction from line 13 of your 2011 Form 4562	10		
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11		
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12		
13	Carryover of disallowed deduction to 2013 Add lines 9 and 10, less line 12	13		

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property) (See instructions)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	89,014

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2012	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B—Assets Placed in Service During 2012 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property		See Add'l Data				
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2012 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (see instructions)

21	Listed property Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	22	89,311
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V

Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)
Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? <input type="checkbox"/> Yes <input type="checkbox"/> No						24b If "Yes," is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> No		
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation/ deduction	(i) Elected section 179 cost
25Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						25		
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1						28		
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1							29	

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

30 Total business/investment miles driven during the year (do not include commuting miles)	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
31 Total commuting miles driven during the year												
32 Total other personal(noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions)

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles		

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2012 tax year (see instructions)					
43 Amortization of costs that began before your 2012 tax year				43	
44 Total. Add amounts in column (f) See the instructions for where to report				44	

Additional Data

Software ID:
Software Version:
EIN: 64-0707746
Name: THE RILEY FOUNDATION

Form 4562, Part III, Line 19, Section B—Assets Placed in Service During 2011 Tax Year Using the General Depreciation System:

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
d 10-year property		1,867	10	MQ	S/L	140
d 10-year property		1,163	10	MQ	S/L	68
d 10-year property		3,554	10	MQ	S/L	89

TY 2012 Accounting Fees Schedule**Name:** THE RILEY FOUNDATION**EIN:** 64-0707746

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Monthly accounting	7,450	1,863	0	4,856
IRS filings	3,500	875	0	0
Financial audit	8,325	2,081	0	0

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2012 Depreciation Schedule

Name: THE RILEY FOUNDATION
EIN: 64-0707746

Description of Property	Date Acquired	Cost or Other Basis	Prior Years' Depreciation	Computation Method	Rate / Life (# of years)	Current Year's Depreciation Expense	Net Investment Income	Adjusted Net Income	Cost of Goods Sold Not Included
BUILDING	2000-06-18	3,066,860	881,728	SL	40	76,672	0	0	
BUILDING ADDITION	2001-06-14	13,858	3,634	SL	40	346	0	0	
OFFICE EQUIPMENT	1999-12-31	3,703	3,703	SL	5	0	0	0	
OFFICE EQUIPMENT	2000-12-31	16,826	16,826	SL	5	0	0	0	
PROJECTOR	2001-08-16	4,815	4,815	SL	7	0	0	0	
OFFICE EQUIPMENT	2003-12-31	21,277	21,277	SL	5	0	0	0	
OFFICE EQUIPMENT	2004-12-31	1,247	1,247	SL	5	0	0	0	
COMPUTER	2005-09-13	2,532	2,532	SL	5	0	0	0	
OFFICE EQUIPMENT	2006-04-12	2,893	2,893	SL	5	0	0	0	
GRANT SOFTWARE	2007-07-16	15,579	14,021	SL	5	1,558	0	0	
PAINTINGS	1999-12-31	800	800	SL	10	0	0	0	
FURNISHINGS	2000-06-17	264,818	264,818	SL	10	0	0	0	
FURNISHINGS	2000-06-17	1,380	1,380	SL	5	0	0	0	
FURNISHINGS	2002-11-08	7,575	6,885	SL	10	689	0	0	
FURNISHINGS	2005-08-24	6,561	4,175	SL	10	656	0	0	
COMPUTER	2008-01-03	1,419	1,136	SL	5	283	0	0	
COMPUTER	2008-09-11	1,343	874	SL	5	269	0	0	
LAPTOP	2009-09-01	1,679	784	SL	5	336	0	0	
DESKTOP COMPUTER	2010-05-26	1,503	476	SL	5	301	0	0	
DELL COMPUTER	2010-06-14	1,701	510	SL	5	340	0	0	
SERVER	2010-08-03	6,892	1,837	SL	5	1,378	0	0	
PAINTINGS BOARD ROOM	2011-01-19	10,000	917	SL	10	1,000	0	0	
HVAC REPAIRS	2011-03-15	22,075	1,656	SL	10	2,208	0	0	
APPLE MACBOOK	2011-03-15	1,485	223	SL	5	297	0	0	
CARPET	2011-08-16	6,033	201	SL	10	603	0	0	
TABLES BOARD ROOM	2011-09-13	3,895	97	SL	10	390	0	0	
SAVIN COPIER	2011-09-13	8,440	422	SL	5	1,688	0	0	
FRAMED PHOTOTS	2012-03-20	1,867	0	SL	10	140	0	0	
DISHWASHER	2012-05-07	1,163	0	SL	10	68	0	0	
EXCERCISE EQUIPMENT	2012-10-09	3,554	0	SL	10	89	0	0	

TY 2012 Investments Corporate
Bonds Schedule

Name: THE RILEY FOUNDATION
EIN: 64-0707746

Name of Bond	End of Year Book Value	End of Year Fair Market Value
CENTURYTEL 100,000	0	0
AMERICAN EXPRESS 50,000	56,390	56,390
AUTOZONE 100,000	112,409	112,409
FREEPORT MCMORAN 50,0000	0	0
GENERAL ELECTRIC 250,000	0	0
PRUDENTIAL 200,000	0	0
FORTUNE BRANDS 200,000	0	0
MOUNTAIN STS TEL 500,000	555,000	555,000
BANK AMER CORP 30,000	0	0
GOLDMAN SACHS 250,000	274,210	274,210
CITIGROUP 300,000	326,964	326,964
BANK OF AMERICA 250,000	0	0
BANK AMER CORP SUB 100,000	0	0
BANK AMER CORP SUB 51,000	0	0
MERRILL LYNCH 100,000	0	0
GOLDMAN SACHS 250,000	0	0
JPM CHASE CAP 250,000	0	0
FIFTH THIRD BANCORP 103,000	147,287	147,287
MERRILL LYNCH 100,000	130,170	130,170
HUMANA 250,000	353,685	353,685
PRUDENTIAL FINANCIAL 115,000	139,725	139,725
PROTECTIVE LIFE 425,000	554,268	554,268
JP MORGAN CHASE 300,000	339,903	339,903
INTEGRYS ENERGY 100,000	0	0
FPL GROUP 70,000	74,900	74,900
ENTERGY MS 10,000	271,000	271,000
RAYMOND JAMES FINL 14,088	384,180	384,180
LLOYDS BANKING 44,000	1,206,480	1,206,480
MORGAN STANLEY 12,000	300,480	300,480
WELLS FARGO CAPITAL 10,000	253,300	253,300

Name of Bond	End of Year Book Value	End of Year Fair Market Value
NEXTERA ENERGY CAPITAL	26,710	26,710
GEN ELECTRIC CAP 1,100,000	1,243,319	1,243,319
GOLDMAN SACHS 100,000	103,799	103,799
NATIONWIDE FINL SVCS 1,150,000	1,198,588	1,198,588
GOLDMAN SACHS GROUP 835,000	946,331	946,331
CENTURYTEL INC 1,125,000	1,167,750	1,167,750
U S WEST COMM 280,000	290,114	290,114
LINCOLN NATIONAL 1,250,000	1,278,125	1,278,125
WPS RESOURCES CORP 100,000	104,875	104,875
CORTS AON CAP 14,136	410,368	410,368
JP MORGAN CHASE 250,000	0	0

TY 2012 Investments Corporate
Stock Schedule

Name: THE RILEY FOUNDATION
EIN: 64-0707746

Name of Stock	End of Year Book Value	End of Year Fair Market Value
ABBOTT LAB 7875 SHS COMMON	515,812	515,812
ALTRIA GROUP 32000 SHS COMMON	1,006,080	1,006,080
AMERIGAS PTS 16775 SHS COMMON	649,863	649,863
APPLE INC 1670 SHS COMMON	888,729	888,729
ASTRAZENECA PLC 11500 SHS COM	543,605	543,605
ATT 23925 SHS COMMON	806,512	806,512
ATMOS ENERGY 13200 SHS COMMON	463,584	463,584
BEAM INC 8900 SHS COMMON	543,701	543,701
BHP BILLITON 8575 SHS COMMON	672,451	672,451
BROWN FORMAN 13915 SHS COMMON	880,124	880,124
CATERPILLAR 12300 SHS COMMON	1,102,185	1,102,185
COCA COLA 17800 SHS COMMON	645,250	645,250
COMPASS MIN 8325 SHS COMMON	621,961	621,961
DR PEPPER 14200 SHS COMMON	627,356	627,356
DUKE ENERGY 10199 SHS COMMON	650,696	650,696
ENERGY TRANSFER 13700 SHS COM	588,141	588,141
EXELON CORP 11500 SHS COMMON	0	0
EXXON MOBIL 8000 SHS COMMON	692,400	692,400
FORTUNE BRANDS 12200 SHS COMM	356,484	356,484
FREEPORT MCMORAN 12500 SHS CO	0	0
FRONTIER COMM 22900 SHS COMM	0	0
GENUINE PARTS 13000 SHS COMM	826,540	826,540
IBM 4735 SHS COMMON	906,989	906,989
JOHNSON JOHNSON 10000 SHS COM	701,000	701,000
JP MORGAN 3300 SHS COMMON	145,098	145,098
KELLOG 14850 SHS COMMON	829,372	829,372
KRAFT FOODS 6180 SHS COMMON	281,005	281,005
LOCKHEED MARTIN 8700 SHS COMM	802,923	802,923
HOME DEPOT 5925 SHS COMMON	366,461	366,461
MARATHON OIL 17600 SHS COMMON	539,616	539,616

Name of Stock	End of Year Book Value	End of Year Fair Market Value
MARATHON PETRO 9950 SHS COMM	626,850	626,850
MONDELEZ INTL 18540 SHS COMM	471,902	471,902
MERCK 17650 SHS COMMON	722,591	722,591
NEOGEN CP 17262 SHS COMMON	782,314	782,314
NORFOLK SOUTH 8700 SHS COMMON	538,008	538,008
ORACLE 16700 SHS COMMON	556,444	556,444
PERMIAN BASIN 23500 SHS COMM	0	0
PHILIP MORRIS 20000 SHS COMM	1,672,800	1,672,800
PUBLIC STORAGE 5685 SHS COMM	824,098	824,098
RAYTHEON 13925 SHS COMMON	801,523	801,523
REALTY INCOM 17200 SHS COMMON	691,612	691,612
SANDERSON FARMS 5000 SHS COMM	0	0
SHERWIN WILLIAMS 7360 SHS COM	1,132,115	1,132,115
SIMS METALS MGT 33500 SHS COM	0	0
SOUTHERN CO 15500 SHS COMMON	663,555	663,555
SUNOCO 22500 SHS COMMON	1,118,925	1,118,925
TC PIPELINE 14100 SHS COMMON	569,076	569,076
DIRECT TV GRP 9400 SHS COMMON	0	0
TRIMBLE 15100 SHS COMMON	902,678	902,678
UNILEVER 19200 SHS COMMON	743,424	743,424
UNILEVER PLC 19200 SHS COMMON	0	0
VERIZON COMM 18400 SHS COMMON	796,168	796,168
VISA INC 4755 SHS COMMON	720,763	720,763
WAL MART 9690 SHS COMMON	661,149	661,149
WASTE MGT 18600 SHS COMMON	627,564	627,564
WEINGAREN REALTY 17050 SHS CO	456,429	456,429
WELLS FARGO 4000 SHS COMMON	0	0
YUM BRANDS 15310 SHS COMMON	1,016,584	1,016,584
RENAISSANCERE 29000 SHS PFD	727,610	727,610
AEGON NV 44000 SHARES PFD	1,103,080	1,103,080

Name of Stock	End of Year Book Value	End of Year Fair Market Value
ALLIANZ SE 38000 SHARES PFD	973,750	973,750
BAC CAP TR 17000 SHARES PFD	0	0
BBT CAPITAL TRT 11000 SHS PFD	0	0
BARCLAYS BANK 26000 SHS PFD	0	0
BARCLAYS BANK 18000 SHS PFD	0	0
CBS CORP 22300 SHS PFD	0	0
COMCAST 4000 SHS PFD	0	0
CORTS TR US WEST 40500 SH PFD	0	0
CORTS AON CAP 14136 SHS PFD	0	0
DEUTSCHE BANK 21000 SHS PFD	573,510	573,510
DEUTSCHE BANK 23000 SHS PFD	619,620	619,620
ENERGY MS INC 10000 SHS PFD	0	0
FIFTH THIRD CAP 19500 SHS PFD	0	0
HSBC HOLDINGS 2000 SHS PFD	50,740	50,740
HSBC HOLDINGS 41000 SHS PFD	1,129,960	1,129,960
LLOYDS BANK 44000 SHS PFD	0	0
MORGAN STANLEY 12000 SHS PFD	0	0
NEXTERA ENERGY 1000 SHS PFD	0	0
QWEST CORP 23000 SHS PFD	0	0
VORNADO REALTY 36000 SHS PFD	970,920	970,920
WACHOVIA 14500 SHS PFD	382,945	382,945
WELLS FARGO 18000 SHS PFD	528,300	528,300
WELLS FARGO 10000 SHS PFD	0	0
EAGLE HOSP 8000 SHS PFD	16	16

TY 2012 Investments - Other Schedule

Name: THE RILEY FOUNDATION

EIN: 64-0707746

Category / Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
ALTERNATIVE INVESTMENT		22,862	22,862
ACCRUED INTEREST		102,706	102,706

TY 2012 Land, Etc. Schedule**Name:** THE RILEY FOUNDATION**EIN:** 64-0707746

Category / Item	Cost / Other Basis	Accumulated Depreciation	Book Value	End of Year Fair Market Value
LAND	203,313	0	203,313	203,313
BUILDING AND ADDITIONS	3,080,718	962,380	2,118,338	3,080,718
OFFICE EQUIPMENT	117,544	82,560	34,984	43,500
FURNISHINGS	304,092	282,819	21,273	259,600

TY 2012 Legal Fees Schedule

Name: THE RILEY FOUNDATION

EIN: 64-0707746

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Legal fees	24	0	0	24

TY 2012 Other Expenses Schedule**Name:** THE RILEY FOUNDATION**EIN:** 64-0707746

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Insurance	35,880	8,970	0	8,970
Office supplies	21,233	0	0	18,165
Dues and subscriptions	3,389	0	0	2,804
Postage	434	0	0	391
Telephone	9,512	951	0	7,134
Program expense	62,590	0	0	56,982

TY 2012 Other Income Schedule**Name:** THE RILEY FOUNDATION**EIN:** 64-0707746

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
Royalty income	205,302	205,302	0
Partnership income	1,608	1,608	0

TY 2012 Other Increases Schedule

Name: THE RILEY FOUNDATION

EIN: 64-0707746

Description	Amount
Unrealized gains	4,493,880

TY 2012 Taxes Schedule**Name:** THE RILEY FOUNDATION**EIN:** 64-0707746

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Excise tax on investment	50,752	0	0	0
Prior excise taxes	2,824	0	0	0