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Form **990-PF**

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

Department of the Treasury
Internal Revenue Service

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

OMB No. 1545-0052

2012

Open to Public Inspection

For calendar year 2012 or tax year beginning **04/01/12**, and ending **03/31/13**

Name of foundation Stonecutter Foundation, Inc.		A Employer identification number 56-6044820
Number and street (or P O box number if mail is not delivered to street address) 230 Spindale Street	Room/suite	B Telephone number (see instructions) 828-286-2341
City or town, state, and ZIP code Spindale NC 28160		C If exemption application is pending, check here ☐
G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 9,124,571 (Part I, column (d) must be on cash basis.)	J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check ☒ if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	26	26		
	4 Dividends and interest from securities	248,273	248,273		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	9,221			
	b Gross sales price for all assets on line 6a 2,151,004				
	7 Capital gain net income (from Part IV, line 2)		9,221		
	8 Net short-term capital gain			0	
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule) Stmt 1	14,720	13,720			
12 Total. Add lines 1 through 11	272,240	271,240	0		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	0			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule) See Stmt 2	4,006	4,006		
	b Accounting fees (attach schedule) Stmt 3	5,000	5,000		
	c Other professional fees (attach schedule) Stmt 4	69,022	69,022		
	17 Interest				
	18 Taxes (attach schedule) (see instructions) Stmt 5	9,570			
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (att. sch.) Stmt 6	69,355	36,355		
	24 Total operating and administrative expenses. Add lines 13 through 23	156,953	114,383	0	0
	25 Contributions, gifts, grants paid	347,020			347,020
26 Total expenses and disbursements. Add lines 24 and 25	503,973	114,383	0	347,020	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-231,733				
b Net investment income (if negative, enter -0-)		156,857			
c Adjusted net income (if negative, enter -0-)			0		

For Paperwork Reduction Act Notice, see instructions.

Form **990-PF** (2012)

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	144,534	120,626	120,626
	2 Savings and temporary cash investments	141,641	117,569	117,569
	3 Accounts receivable ▶			
	Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (att. schedule) ▶			
	Less allowance for doubtful accounts ▶	0		
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	6,400	10,000	10,000
	10a Investments – U S and state government obligations (attach schedule)			
	b Investments – corporate stock (attach schedule) See Stmt 7	5,543,134	5,502,128	6,294,774
	c Investments – corporate bonds (attach schedule) See Stmt 8	2,320,920	2,194,489	2,336,325
	11 Investments – land, buildings, and equipment basis ▶			
Liabilities	Less accumulated depreciation (attach sch) ▶			
	12 Investments – mortgage loans			
	13 Investments – other (attach schedule) See Statement 9	239,193	219,277	219,277
	14 Land, buildings, and equipment basis ▶	3,841		
	Less accumulated depreciation (attach sch) ▶ Stmt 10	3,841	3,841	26,000
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers – see the instructions. Also, see page 1, item I)	8,399,663	8,167,930	9,124,571
	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
Net Assets or Fund Balances	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0	0	
	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ ☒			
	24 Unrestricted	8,399,663	8,167,930	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ ☐			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see instructions)	8,399,663	8,167,930	
	31 Total liabilities and net assets/fund balances (see instructions)	8,399,663	8,167,930	

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year – Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	8,399,663
2 Enter amount from Part I, line 27a	2	-231,733
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	8,167,930
5 Decreases not included in line 2 (itemize) ▶	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	8,167,930

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 Various		P	Various	Various
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 2,151,004		2,141,783	9,221
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			9,221
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	9,221
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):	If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8	3	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2011	308,333	8,185,345	0.037669
2010	222,569	7,938,698	0.028036
2009	359,648	7,098,027	0.050669
2008	336,125	7,387,468	0.045499
2007	412,855	9,671,598	0.042687

2 Total of line 1, column (d)	2	0.204560
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	0.040912
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	8,329,006
5 Multiply line 4 by line 3	5	340,756
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,569
7 Add lines 5 and 6	7	342,325
8 Enter qualifying distributions from Part XII, line 4	8	360,740

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1. Date of ruling or determination letter: (attach copy of letter if necessary—see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b		1	1,569
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0
3 Add lines 1 and 2		3	1,569
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	1,569
6 Credits/Payments:			
a 2012 estimated tax payments and 2011 overpayment credited to 2012	6a	10,000	
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	10,000	
8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	8,431	
11 Enter the amount of line 10 to be: Credited to 2013 estimated tax 8,431 Refunded	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the 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. \$ (2) On foundation managers. \$		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. \$		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		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) None		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	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 2012 or the taxable year beginning in 2012 (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

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 ► N/A	13	X	
14	The books are in care of ► Terri Barringer 230 Spindale Street Located at ► Spindale NC ZIP+4 ► 28160 Telephone no ► 828-286-2341			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 – Check here and enter the amount of tax-exempt interest received or accrued during the year	15		
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? 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

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes	☒ No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes	☒ No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☒ Yes	☐ No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes	☒ No
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes	☒ No
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes	☒ No
b If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here		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 2012?		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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? If "Yes," list the years ► 20 , 20 , 20 , 20	☐ Yes	☒ No
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement – see instructions.)	N/A	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► 20 , 20 , 20 , 20		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes	☒ No
b If "Yes," did it have excess business holdings in 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? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012.)	N/A	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		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 2012?		X

Part VII B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No**b** If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

Organizations relying on a current notice regarding disaster assistance check here

☐**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?N/A ☐ Yes ☐ No

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

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

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

6b**X****7a** At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No**b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1** List all officers, directors, trustees, foundation managers and their compensation (see instructions).

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

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

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

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

0

Form 990-PF (2012) **Stonecutter Foundation, Inc.****56-6044820**Page **7****Part VII** Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services **0****Part IX-A** Summary of Direct Charitable Activities

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

	Expenses
1 N/A	
2	
3	
4	

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

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

	Amount
1 Student Loans	
	13,720
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3	13,720

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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	8,357,826
b	Average of monthly cash balances	1b	72,018
c	Fair market value of all other assets (see instructions)	1c	26,000
d	Total (add lines 1a, b, and c)	1d	8,455,844
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	8,455,844
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	126,838
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	8,329,006
6	Minimum investment return. Enter 5% of line 5	6	416,450

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	416,450
2a	Tax on investment income for 2012 from Part VI, line 5	2a	1,569
b	Income tax for 2012. (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	1,569
3	Distributable amount before adjustments Subtract line 2c from line 1	3	414,881
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	414,881
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	414,881

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	347,020
b	Program-related investments — total from Part IX-B	1b	13,720
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	360,740
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	1,569
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	359,171

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				414,881
2 Undistributed income, if any, as of the end of 2012:				
a Enter amount for 2011 only			369,112	
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2012:				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f Total of lines 3a through e				
4 Qualifying distributions for 2012 from Part XII, line 4. ► \$ 360,740				
a Applied to 2011, but not more than line 2a			360,740	
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 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 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			8,372	
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				414,881
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)				
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				
e Excess from 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 Statement 13				347,020
Total			▶ 3a	347,020
b Approved for future payment N/A				
Total			▶ 3b	

Part XVI-A	Analysis of Income-Producing Activities
-------------------	--

Enter gross amounts unless otherwise indicated.

Part XVA Analysis of Income-Producing Activities					
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			14	26	
4 Dividends and interest from securities			14	248,273	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	9,221	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue: a					
b Student Loan Interest			14	13,720	
c Other Income					1,000
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0		271,240	1,000
13 Total. Add line 12, columns (b), (d), and (e)				13	272,240

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

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

[illegible]

Part XVII

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

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting foundation to a noncharitable exempt organization of:

(1) Cash

(2) Other assets

b Other transactions:

(1) Sales of assets to a noncharitable exempt organization

(2) Purchases of assets from a noncharitable exempt organization

(3) Rental of facilities, equipment, or other assets

(4) Reimbursement arrangements

(5) Loans or loan guarantees

(6) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

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

[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		

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.

**Sign
Here**

May the IRS discuss this return with the preparer shown below (see instructions)? ☒ Yes

C Ray Bridges
Signature of officer or trustee

1 5/31/2013
Date

Vice President
Title

Paid
Preparer
Use Only

Print/Type preparer's name

Preparer's signature

Date _____

Check ☐ if self-employed

Michael W. Wike

05/29/13

Firm's name ▶ **Anderson Smith & Wike PLLC**

PTIN	P01069632
------	-----------

Firm's address ► **154 S Harbor Watch Dr
Statesville, NC 28677-2495**

Firm's EIN ▶ 27-1473864

Phone no **704-562-5039**

Form **990-PF** (2012)

Federal Statements

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Statement 1 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
Student Loan Interest	\$ 13,720	\$ 13,720	\$
Other Income	1,000		
Total	\$ 14,720	\$ 13,720	\$ 0

Statement 2 - Form 990-PF, Part I, Line 16a - Legal Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Legal fees	\$ 4,006	\$ 4,006	\$	\$
Total	\$ 4,006	\$ 4,006	\$ 0	\$ 0

Statement 3 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Indirect Accounting Fees	\$ 5,000	\$ 5,000	\$	\$
Total	\$ 5,000	\$ 5,000	\$ 0	\$ 0

Statement 4 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Investment Management Fees	\$ 69,022	\$ 69,022	\$	\$
Total	\$ 69,022	\$ 69,022	\$ 0	\$ 0

Federal Statements

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Statement 5 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Property tax	\$ 294		\$	\$
Excise tax	9,276			
Total	\$ 9,570	\$ 0	\$ 0	\$ 0

Statement 6 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Expenses			\$	
Administrative costs	66,000	33,000		
Dues and subscriptions	1,927	1,927		
Miscellaneous	1,428	1,428		
Total	\$ 69,355	\$ 36,355	\$ 0	\$ 0

Federal Statements

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

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
Corporate Stock	\$ 2,290,322	\$ 2,535,919	Cost	\$ 3,040,032
Mutual Funds	3,252,812	2,966,209	Cost	3,254,742
Total	\$ 5,543,134	\$ 5,502,128		\$ 6,294,774

Statement 8 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
Bonds	\$ 2,320,920	\$ 2,194,489	Cost	\$ 2,336,325
Total	\$ 2,320,920	\$ 2,194,489		\$ 2,336,325

Statement 9 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
Student Loans	\$ 239,193	\$ 219,277	Market	\$ 219,277
Total	\$ 239,193	\$ 219,277		\$ 219,277

Statement 10 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
Land	\$ 3,841	\$ 3,841	\$	\$ 26,000
Total	\$ 3,841	\$ 3,841	\$ 0	\$ 26,000

Federal Statements**Statement 11 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees, Etc.**

<u>Name and Address</u>	<u>Title</u>	<u>Average Hours</u>	<u>Compensation</u>	<u>Benefits</u>	<u>Expenses</u>
D. Daniel Briscoe Spindale NC	President	0.00	0	0	0
James R. Cowan Spindale NC	Vice Preside	0.00	0	0	0
C. Ray Bridges Spindale NC	Vice Preside	0.00	0	0	0
Terri C. Barringer Spindale NC	Secretary/Tr	0.00	0	0	0
Dillard Morrow Spindale NC	Director	0.00	0	0	0
Carolyn Keever Spindale NC	Director	0.00	0	0	0

Statement 12 - Form 990-PF, Part XV, Line 2b - Application Format and Required Contents**Description**

Application forms may be obtained from the Foundation office. Loan approvals requires proof of acceptance at an institute of higher learning, financial need and student records.

Form 990-PF, Part XV, Line 2d - Award Restrictions or Limitations**Description**

Student loans restricted to residents of local area

STONECUTTER FOUNDATION, INC.

56-6044820

FYE: 3/31/2013

Federal Statements**Statement 13 - Schedule of Contributions Paid**

<u>Date</u>	<u>Recipient</u>	<u>Purpose</u>	<u>Amount</u>
4/11/2012	N C. Trapshooters Hall of Fame 125 Mandy Lane Rutherfordton, NC 28139	Community	10,000
4/11/2012	Gardner-Webb University P. O. Box 997 Boiling Springs, NC 28017	Education	12,500
4/11/2012	Rutherford Housing Partnership P.O. Box 1525 Rutherfordton, NC 28139	Community	5,000
4/11/2012	Youth Empowerment P. O. Box 252 Spindale, NC 28160	Community	2,500
4/11/2012	N C Center for Public Policy Research P. O. Box 430 Raleigh, NC 27602	Community	500
4/11/2012	Town of Spindale - Recreation Department P. O. Box 186 Spindale, NC 28160	Community	2,000
4/11/2012	Spindale Fire Department P. O. Box 186 Spindale, NC 28160	Community	2,000
4/11/2012	Town of Spindale P. O. Box 186 Spindale, NC 28160	Community	2,000
4/11/2012	Spindale Public Library 101 Tanner Street Spindale, NC 28160	Community	2,000
4/11/2012	Spindale Police Department P. O. Box 186 Spindale, NC 28160	Community	2,000
4/17/2012	KidSenses Children's Museum P O Box 150 Rutherfordton, NC 28139	Community	20,000

STONECUTTER FOUNDATION, INC.**56-6044820****FYE: 3/31/2013****Federal Statements****Statement 13 - Schedule of Contributions Paid (Continued)**

4/17/2012	KidSenses Children's Museum P O Box 150 Rutherfordton, NC 28139	Community	5,000
4/19/2012	Thomas Jefferson Classical Academy 2527 Highway 221A Mooresboro, NC 28114-7698	Education	20,500
4/23/2012	Rutherford County Arts Council P O Box 44 Forest City, NC 28043	Community	10,000
4/25/2012	Trinity School 299 Deter Street Rutherfordton, NC 28139	Education	4,080
5/1/2012	Shingle Hollow Volunteer Fire Department 2621 Cove Road Rutherfordton, NC 28139	Community	5,000
6/7/2012	Lake Lure Flowering Bridge, Inc. P O. Box 125 Lake Lure, NC 28746	Community	2,500
7/3/2012	Leadership Rutherford P O Box 794 Forest City, NC 28043	Community	1,500
7/3/2012	The Asheville School 360 Asheville School Road Asheville, NC 28806	Education	23,120
7/3/2012	The Asheville School 360 Asheville School Road Asheville, NC 28806	Education	5,000
7/3/2012	Montreat College Box 1267 Montreat, NC 28757	Education	7,000
7/3/2012	First at Blue Ridge, Inc. P. O Box 40 Ridgecrest, NC 28770	Community	10,000

STONECUTTER FOUNDATION, INC.

56-6044820

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Federal Statements**Statement 13 - Schedule of Contributions Paid (Continued)**

7/5/2012	Rutherford County Center N C Cooperative Extension Service 193 Callahan-Koon Rd., Suite 164 Spindale, NC 28160	Community	6,200
7/27/2012	Spindale Police Department P. O. Box 186 Spindale, NC 28160	Community	300
7/27/2012	Rutherford County Finance Office 289 North Main Street Rutherfordton, NC 28139	Community	5,000
8/14/2012	Spencer Baptist Church 207 North Oak Street Spindale, NC 28160	Community	500
8/24/2012	Spencer Baptist Church 207 North Oak Street Spindale, NC 28160	Community	1,500
9/26/2012	NC Trapshooters Hall of Fame 125 Mandy Lane Rutherfordton, NC 28139	Community	10,000
10/9/2012	Trinity School 299 Deter Street Rutherfordton, NC 28139	Education	4,080
10/15/2012	Spencer Baptist Church 207 North Oak Street Spindale, NC 28160	Community	650
10/15/2012	Isothermal Community College Foundation P O Box 804 Spindale, NC 28160	Community	50,000
10/15/2012	Isothermal Community College Foundation P O Box 804 Spindale, NC 28160	Education	10,000
10/22/2012	St. Luke's Hospital Foundation 101 Hospital Drive Columbus, NC 28722	Community	1,000

STONECUTTER FOUNDATION, INC.

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Federal Statements**Statement 13 - Schedule of Contributions Paid (Continued)**

10/30/2012	Rutherford County Humane Society P O Box 998 Rutherfordton, NC 28139	Community	4,000
11/5/2012	Rutherford County Arts Council P O Box 44 Forest City, NC 28043	Community	10,000
11/5/2012	Independent College Fund of NC 530 N Blount St Raleigh, NC 27604	Education	2,000
11/12/2012	Cato Institute 1000 Massachusetts Ave., N.W. Washington, DC 20077-0172	Community	200
12/19/2012	Spencer Baptist Church 207 North Oak Street Spindale, NC 28160	Community	10,000
12/19/2012	Trinity School 299 Deter Street Rutherfordton, NC 28139	Education	4,080
1/15/2013	Community Clinic of Rutherford County P O Box 215 Spindale, NC 28160	Community	15,000
1/17/2013	NC Grassroots Science Museum 11 West Jones Street Raleigh, NC 27601	Community	3,000
1/29/2013	Trinity School 299 Deter Street Rutherfordton, NC 28139	Education	4,080
2/6/2013	The Schiele Museum of Natural History 1500 E Garrison Blvd. Gastonia, NC 28054	Education	2,500
2/6/2013	Discovery Place 301 N. Tryon Street Charlotte, NC 28202	Education	2,500

STONECUTTER FOUNDATION, INC.

56-6044820

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Federal Statements**Statement 13 - Schedule of Contributions Paid (Continued)**

2/6/2013	CATO Institute 1000 Massachusetts Ave N.W. Washington, DC 20077-0172	Education	2,500
2/6/2013	Youth Empowerment, Inc. P. O. Box 252 Spindale, NC 28160	Community	2,500
2/6/2013	Hillsdale College 33 East College Street Hillsdale, MI 49242	Education	2,500
2/6/2013	Civitas Institute 100 South Harrington Street Raleigh, NC 27603	Education	1,000
2/6/2013	National Right To Work Legal Defense Foundation 8001 Braddock Road Springfield, VA 22160	Education	1,500
2/6/2013	The John Locke Foundation 200 West Morgan Street Raleigh, NC 27601	Education	1,500
2/11/2013	Spencer Baptist Church 207 North Oak Street Spindale, NC 28160	Community	650
2/21/2013	Rutherford County Arts Council P O Box 44 Forest City, NC 28043	Community	10,000
3/11/2013	Trinity School 299 Deter Street Rutherfordton, NC 28139	Education	4,080
3/28/2013	N. C. Trapshooting Association 125 Mandy Lane Rutherfordton, NC 28139	Community	2,500
3/28/2013	Cleveland County Potato Project 1175 Wyke Road Shelby, NC 28150	Community	2,500

STONECUTTER FOUNDATION, INC.**56-6044820****FYE: 3/31/2013****Federal Statements****Statement 13 - Schedule of Contributions Paid (Continued)**

3/28/2013	Piedmont Council Boy Scouts of America P O Box 1059 Gastonia, NC 28053	Community	5,000
3/28/2013	Lake Lure Flowering Bridge, Inc P O Box 125 Lake Lure, NC 28746	Community	2,500
3/28/2013	The Asheville School 360 Asheville School Road Asheville, NC 28806	Education	7,500
			<u><u>347,020</u></u>