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Department of the Treasury  
Internal Revenue Service

or Section 4947(a)(1) Trust Treated as Private Foundation  
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Information about Form 990-PF and its separate instructions is at [www.irs.gov/form990pf](http://www.irs.gov/form990pf).

Open to Public Inspection

For calendar year 2013 or tax year beginning , 2013, and ending , 20

Name of foundation  
**THE VARNEY FOUNDATION**

Number and street (or P O box number if mail is not delivered to street address) Room/suite  
PO BOX 140260

City or town, state or province, country, and ZIP or foreign postal code  
NASHVILLE, TN 37214

**A Employer identification number**  
62-1811033

**B Telephone number (see instructions)**  
615-883-8881

**C** If exemption application is pending, check here

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

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

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

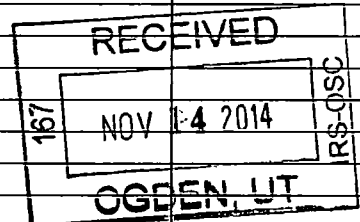
**G** Check all that apply  
 Initial return  
 Final return  
 Address change  
 Initial return of a former public charity  
 Amended return  
 Name change

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

**I** Fair market value of all assets at end of year (from Part II, col (c), line 16) **\$** 2,070,995.00

**J** Accounting method  
 Cash  
 Accrual  
 Other (specify) \_\_\_\_\_  
 (Part I, column (d) must be on cash basis)

<b>Part I Analysis of Revenue and Expenses</b> (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)
<b>Revenue</b>	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	42,123.00	42,123.00		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	407,642.00			
	b Gross sales price for all assets on line 6a	1,184,269.00			
	7 Capital gain net income (from Part IV, line 2)		407,642.00		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)	9,849.00				
12 <b>Total.</b> Add lines 1 through 11	459,614.00	449,765.00			
<b>Operating and Administrative Expenses</b>	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)	17.00	17.00		
	b Accounting fees (attach schedule)	5,240.00	5,240.00		
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	1,961.00	1,961.00		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
21 Travel, conferences, and meetings	3,802.00			3,802.00	
22 Printing and publications					
23 Other expenses (attach schedule)	3,914.00	3,914.00			
24 <b>Total operating and administrative expenses.</b> Add lines 13 through 23	14,934.00	11,132.00		3,802.00	
25 Contributions, gifts, grants paid	121,400.00			121,400.00	
26 <b>Total expenses and disbursements.</b> Add lines 24 and 25	136,334.00	11,132.00		125,202.00	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	323,280.00				
b <b>Net investment income</b> (if negative, enter -0-)		438,633.00			
c <b>Adjusted net income</b> (if negative, enter -0-)					



SCANNED NOV 26 2014 Operating and Administrative Expenses

<b>Part II Balance Sheets</b>		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
<b>Assets</b>	1 Cash - non-interest-bearing . . . . .	62,734.00	53,915.00	53,915.00
	2 Savings and temporary cash investments . . . . .			
	3 Accounts receivable ▶ Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶ Less allowance for doubtful accounts ▶			
	5 Grants receivable . . . . .			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see 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 . . . . .			
	10 a Investments - U S and state government obligations (attach schedule) . . . . .			
	b Investments - corporate stock (attach schedule) . . . . .	963,367.00	1,337,467.00	1,604,476.00
	c Investments - corporate bonds (attach schedule) . . . . .	459,736.00	415,058.00	412,604.00
	11 Investments - land, buildings, and equipment basis ▶ Less accumulated depreciation ▶ (attach schedule)			
	12 Investments - mortgage loans . . . . .			
	13 Investments - other (attach schedule) . . . . .			
	14 Land, buildings, and equipment basis ▶ Less accumulated depreciation ▶ (attach schedule)			
15 Other assets (describe ▶ )				
16 <b>Total assets</b> (to be completed by all filers - see the instructions Also, see page 1, item I) . . . . .	1,485,837.00	1,806,440.00	2,070,995.00	
<b>Liabilities</b>	17 Accounts payable and accrued expenses . . . . .			
	18 Grants payable . . . . .			
	19 Deferred revenue . . . . .			
	20 Loans from officers, directors, trustees, and other disqualified persons . . . . .			
	21 Mortgages and other notes payable (attach schedule) . . . . .			
	22 Other liabilities (describe ▶ )			
23 <b>Total liabilities</b> (add lines 17 through 22) . . . . .				
<b>Net Assets or Fund Balances</b>	<b>Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/></b> <b>and complete lines 24 through 26 and lines 30 and 31.</b>			
	24 Unrestricted . . . . .			
	25 Temporarily restricted . . . . .			
	26 Permanently restricted . . . . .			
	<b>Foundations that do not follow SFAS 117, . . . ▶ <input type="checkbox"/></b> <b>check here and complete lines 27 through 31.</b>			
	27 Capital stock, trust principal, or current funds . . . . .			
	28 Paid-in or capital surplus, or land, bldg, and equipment fund . . . . .			
	29 Retained earnings, accumulated income, endowment, or other funds . . . . .			
	30 <b>Total net assets or fund balances</b> (see instructions) . . . . .	1,485,837.00	1,806,440.00	
31 <b>Total liabilities and net assets/fund balances</b> (see instructions) . . . . .	1,485,837.00	1,806,440.00		

<b>Part III Analysis of Changes in Net Assets or Fund Balances</b>		
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) . . . . .	<b>1</b>	1,485,837.00
2 Enter amount from Part I, line 27a . . . . .	<b>2</b>	323,280.00
3 Other increases not included in line 2 (itemize) ▶	<b>3</b>	
4 Add lines 1, 2, and 3 . . . . .	<b>4</b>	1,809,117.00
5 Decreases not included in line 2 (itemize) ▶ <b>PRIOR TAX ADJUSTMENT (BASIS)</b>	<b>5</b>	2,677.00
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30 . . . . .	<b>6</b>	1,806,440.00

**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
<b>1a</b> SEE ATTACHED SCHEDULE - 9 ASSETS		P	VARIOUS	VARIOUS
<b>b</b> CAPITAL GAINS DISTRIBUTIONS		P	VARIOUS	VARIOUS
<b>c</b>				
<b>d</b>				
<b>e</b>				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
<b>a</b> 1,134,089.00		776,627.00	357,462.00	
<b>b</b> 50,180.00			50,180.00	
<b>c</b>				
<b>d</b>				
<b>e</b>				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))	
(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		
<b>a</b>			357,462.00	
<b>b</b>			50,180.00	
<b>c</b>				
<b>d</b>				
<b>e</b>				
<b>2</b> Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		<b>2</b>	407,642.00
<b>3</b> Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8			<b>3</b>	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?  Yes  No  
 If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

**1** Enter the appropriate amount in each column for each year, see 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))
2012	119,152.00	1,790,863.00	0.0665
2011	110,231.00	1,783,961.00	0.0618
2010	105,156.00	1,696,824.00	0.0620
2009	154,426.00	1,559,651.00	0.0990
2008	124,368.00	1,925,813.00	0.0646
<b>2</b> Total of line 1, column (d)			<b>2</b> 0.3539
<b>3</b> Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			<b>3</b> 0.0708
<b>4</b> Enter the net value of noncharitable-use assets for 2013 from Part X, line 5			<b>4</b> 1,931,374.00
<b>5</b> Multiply line 4 by line 3			<b>5</b> 136,741.28
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)			<b>6</b> 4,386.33
<b>7</b> Add lines 5 and 6			<b>7</b> 141,127.61
<b>8</b> 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			<b>8</b> 125,202.00

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

<b>1a</b> 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>1</b>	8,773.00
<b>b</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			
<b>c</b> All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)			
<b>2</b> Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		<b>2</b>	
<b>3</b> Add lines 1 and 2		<b>3</b>	8,773.00
<b>4</b> Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		<b>4</b>	
<b>5</b> Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		<b>5</b>	8,773.00
<b>6 Credits/Payments</b>			
<b>a</b> 2013 estimated tax payments and 2012 overpayment credited to 2013	<b>6a</b>		
<b>b</b> Exempt foreign organizations - tax withheld at source	<b>6b</b>		
<b>c</b> Tax paid with application for extension of time to file (Form 8868)	<b>6c</b>		
<b>d</b> Backup withholding erroneously withheld	<b>6d</b>		
<b>7</b> Total credits and payments Add lines 6a through 6d		<b>7</b>	
<b>8</b> Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached		<b>8</b>	329.00
<b>9</b> Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		<b>9</b>	9,102.00
<b>10</b> Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		<b>10</b>	
<b>11</b> Enter the amount of line 10 to be Credited to 2014 estimated tax Refunded		<b>11</b>	

**Part VII-A Statements Regarding Activities**

	Yes	No
<b>1a</b> 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>b</b> Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>		X
<b>c</b> Did the foundation file Form 1120-POL for this year?		X
<b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation \$ _____ (2) On foundation managers \$ _____		
<b>e</b> Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ _____		
<b>2</b> Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities</i>		X
<b>3</b> Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>		X
<b>4a</b> Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
<b>b</b> If "Yes," has it filed a tax return on Form 990-T for this year?		X
<b>5</b> Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>		X
<b>6</b> 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	
<b>7</b> Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	X	
<b>8a</b> Enter the states to which the foundation reports or with which it is registered (see instructions) <u>TENNESSEE</u>		
<b>b</b> If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation.</i>	X	
<b>9</b> 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 2013 or the taxable year beginning in 2013 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV.</i>		X
<b>10</b> Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses.</i>		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) . . . . .			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) . . . . .			X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? . . . . .	X		
Website address ▶ _____				
14	The books are in care of ▶ E.C. HARDISON, III Telephone no ▶ 615-883-8881			
	Located at ▶ 2821 LEBANON ROAD STE 102, NASHVILLE, TN ZIP+4 ▶ 37214			
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 2013, 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? . . . . .		Yes	No
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ▶ _____			X

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input 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 instructions)? . . . . . <input type="checkbox"/>	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 2013? . . . . .	1c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If "Yes," list the years ▶ _____			
b	Are there any years listed in 2a for which the foundation is 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 ▶ _____		
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 2013 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 2013) . . . . .	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? . . . . .	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2013? . . . . .	4b	X

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

**5a** During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?  Yes  No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?  Yes  No

(3) Provide a grant to an individual for travel, study, or other similar purposes?  Yes  No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)  Yes  No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?  Yes  No

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

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?  Yes  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?  Yes  No

**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
E.C. HARDISON, III PO BOX 140260, NASHVILLE, TN 37214	DIRECTOR 2	300.00		
JANE HALE-VARNEY PO BOX 140260, NASHVILLE, TN 37214	DIRECTOR 2	300.00		
WILLIAM W. GIBSON PO BOX 140260, NASHVILLE, TN 37214	DIRECTOR 2	300.00		
-----				

**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

**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** *(continued)*

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

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

Total number of others receiving over \$50,000 for professional services . . . . . ▶

**Part IX-A Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 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 NONE	
2	
All other program-related investments See instructions	
3	

Total. Add lines 1 through 3 . . . . . ▶

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

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
<b>a</b>	Average monthly fair market value of securities	<b>1a</b>	1,923,355.00
<b>b</b>	Average of monthly cash balances	<b>1b</b>	37,431.00
<b>c</b>	Fair market value of all other assets (see instructions)	<b>1c</b>	
<b>d</b>	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	1,960,786.00
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	1,960,786.00
<b>4</b>	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	<b>4</b>	29,412.00
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3 Enter here and on Part V, line 4	<b>5</b>	1,931,374.00
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	96,569.00

**Part XI Distributable Amount** (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here  and do not complete this part)

<b>1</b>	Minimum investment return from Part X, line 6	<b>1</b>	96,569.00
<b>2a</b>	Tax on investment income for 2013 from Part VI, line 5	<b>2a</b>	8,773.00
<b>b</b>	Income tax for 2013 (This does not include the tax from Part VI)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	8,773.00
<b>3</b>	Distributable amount before adjustments Subtract line 2c from line 1	<b>3</b>	87,796.00
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	
<b>5</b>	Add lines 3 and 4	<b>5</b>	87,796.00
<b>6</b>	Deduction from distributable amount (see instructions)	<b>6</b>	
<b>7</b>	<b>Distributable amount</b> as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1.	<b>7</b>	87,796.00

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

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
<b>a</b>	Expenses, contributions, gifts, etc - total from Part I, column (d), line 26	<b>1a</b>	125,202.00
<b>b</b>	Program-related investments - total from Part IX-B	<b>1b</b>	
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the		
<b>a</b>	Suitability test (prior IRS approval required)	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule)	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	125,202.00
<b>5</b>	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	<b>5</b>	
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	125,202.00

**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 2012	(c) 2012	(d) 2013
<b>1</b> Distributable amount for 2013 from Part XI, line 7 . . . . .				87,796.00
<b>2</b> Undistributed income, if any, as of the end of 2013				
<b>a</b> Enter amount for 2012 only . . . . .				
<b>b</b> Total for prior years 20____, 20____, 20____				
<b>3</b> Excess distributions carryover, if any, to 2013				
<b>a</b> From 2008 . . . . .	28,477.00			
<b>b</b> From 2009 . . . . .	76,561.00			
<b>c</b> From 2010 . . . . .	21,069.00			
<b>d</b> From 2011 . . . . .	21,694.00			
<b>e</b> From 2012 . . . . .	30,417.00			
<b>f</b> Total of lines 3a through e . . . . .	178,218.00			
<b>4</b> Qualifying distributions for 2013 from Part XII, line 4 ▶ \$ <u>125,202.00</u>				
<b>a</b> Applied to 2012, but not more than line 2a . . . . .				
<b>b</b> Applied to undistributed income of prior years (Election required - see instructions) . . . . .				
<b>c</b> Treated as distributions out of corpus (Election required - see instructions) . . . . .				
<b>d</b> Applied to 2013 distributable amount . . . . .				87,796.00
<b>e</b> Remaining amount distributed out of corpus . . . . .	37,406.00			
<b>5</b> Excess distributions carryover applied to 2013 . . . . . <i>(If an amount appears in column (d), the same amount must be shown in column (a) )</i>				
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5 . . . . .	215,624.00			
<b>b</b> Prior years' undistributed income Subtract line 4b from line 2b . . . . .				
<b>c</b> Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed . . . . .				
<b>d</b> Subtract line 6c from line 6b Taxable amount - see instructions . . . . .				
<b>e</b> Undistributed income for 2012 Subtract line 4a from line 2a Taxable amount - see instructions . . . . .				
<b>f</b> Undistributed income for 2013 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2014 . . . . .				
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions) . . . . .				
<b>8</b> Excess distributions carryover from 2008 not applied on line 5 or line 7 (see instructions) . . . . .	28,477.00			
<b>9</b> Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a . . . . .	187,147.00			
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2009 . . . . .	76,561.00			
<b>b</b> Excess from 2010 . . . . .	21,069.00			
<b>c</b> Excess from 2011 . . . . .	21,694.00			
<b>d</b> Excess from 2012 . . . . .	30,417.00			
<b>e</b> Excess from 2013 . . . . .	37,406.00			

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2013, enter the date of the ruling ▶ N/A  
 b Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2013	(b) 2012	(c) 2011	(d) 2010	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .					
b 85% of line 2a . . . . .					
c Qualifying distributions from Part XII, line 4 for each year listed . . . . .					
d Amounts included in line 2c not used directly for active conduct of exempt activities . . . . .					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c . . . . .					
3 Complete 3a b, or c for the alternative test relied upon					
a "Assets" alternative test - enter					
(1) Value of all assets . . . . .					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i) . . . . .					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed . . . . .					
c "Support" alternative test - enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) . . . . .					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) . . . . .					
(3) Largest amount of support from an exempt organization . . . . .					
(4) Gross investment income . . . . .					

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

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

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 address of the person to whom applications should be addressed  
 N/A  
 b The form in which applications should be submitted and information and materials they should include

N/A  
 c Any submission deadlines

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

N/A

**Part XV Supplementary Information (continued)**

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<p><b>a Paid during the year</b>                      JIM VARNEY SCHOLARSHIP FUND                      10920 WILTSHIRE BLVD, STE 1400                      LOS ANGELES, CA 90024</p>		PUBLIC		121,400.00
<b>Total</b> . . . . . ▶ <b>3a</b>				121,400.00
<p><b>b Approved for future payment</b>                      JIM VARNEY SCHOLARSHIP FUND                      10920 WILTSHIRE BLVD, STE 1400                      LOS ANGELES, CA 90024</p>		PUBLIC		640,836.00
<b>Total</b> . . . . . ▶ <b>3b</b>				640,836.00





THE VARNEY FOUNDATION  
FORM 990-PF  
12/31/2013

PART 1-LINE 11-OTHER INCOME

RESIDUALS FROM DECEASED ACTOR/FOUNDER \$9,849.00

**TOTAL** **\$9,849.00**

PART 1-LINE 16A-LEGAL FEES

WYATT, TARRANT & COMBS, LLP FOR CONTRACT NEGOTIATION  
ON RESIDUALS, AND REVIEW OF POSSIBLE NEW INCOME SOURCES  
USING NAME OF JIM VARNEY **\$17.00**

PART 1-LINE 16B-ACCOUNTING FEES

ERWIN HARDISON & CO, P C. FOR MONTHLY AND ANNUAL ACCOUNTING  
PAYING OF BILLS, INSURANCE RENEWALS, PREPARATION OF FORM  
990-PF **\$5,240.00**

PART 1-LINE 18-TAXES

FOREIGN TAX PAID ON DIVIDENDS FROM INVESTMENT ACCOUNT \$1,153.00  
990-PF INVESTMENT TAX **\$808.00**  
**TOTAL** **\$1,961.00**

PART 1-LINE 21-TRAVEL, CONFERENCES AND MEETINGS

2 DIRECTORS TO UCLA FOR SCHOLARSHIP MEETINGS **\$3,802.00**

PART 1-LINE 23-OTHER EXPENSES

POSTAGE \$15.00  
STORAGE \$2,016.00  
SECRETARY-OF STATE ANNUAL FEE \$20.00  
IRS INTEREST \$30.00  
INSURANCE-DIRECTOR'S LIABILITY \$1,108.00  
ASSOCIATION OF SMALL FOUNDATIONS-DUES **\$725.00**  
**TOTAL** **\$3,914.00**

THE VARNEY FOUNDATION  
FORM 990-PF  
12/31/2013

PART II-LINE 10B-INVESTMENTS CORPORATE STOCK

	<b>COST</b>	<b>FAIR VALUE</b>
AMCAP	\$253,884 00	\$272,499 00
CAPITAL WORLD GROWTH AND INCOME	\$223,258 00	\$244,428 00
EURO PACIFIC GROWTH FUND	\$134,099 00	\$202,511 00
FUNDAMENTAL INVESTORS INCOME FUND	\$129,002 00	\$205,694 00
NEW PERSPECTIVE FUND	\$141,623 00	\$151,188 00
NEW ECONOMY FUND	\$190,830 00	\$215,705 00
SMALL CAP WORLD FUND, INC.	\$83,599 00	\$124,757 00
NEW WORLD CLASS A	\$181,172 00	\$187,694 00
<b>TOTAL</b>	<b><u>\$1,337,467.00</u></b>	<b><u>\$1,604,476.00</u></b>

PART II-LINE 10C-INVESTMENTS-CORPORATE BONDS

	<b>COST</b>	<b>FAIR VALUE</b>
KENTUCKY ECON DFA NOTES	\$99,986 00	\$91,127 00
LOUISVILLE KENTUCKY REGIONAL AIRPORT NOTES	\$36,656 00	\$35,635 00
BEXAR, TEXAS MET WATER DIST	\$25,175 00	\$25,621 00
CAROL STREAM IL PK DIST BONDS	\$68,157 00	\$67,420 00
EVANSVILLE CITY	\$28,659 00	\$26,997 00
DE MOTTE IN MUNI FACS	\$25,152 00	\$26,120 00
MEMPHIS SHELBY COUNTY TN	\$41,717 00	\$40,676 00
LAWRENCE, IN WATERWORKS BONDS	\$89,556 00	\$99,008 00
<b>TOTAL</b>	<b><u>\$415,058.00</u></b>	<b><u>\$412,604.00</u></b>

**THE VARNEY FOUNDATION**

**FORM 990-PF**

**12/31/2013**

**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.)
1. 25000 Graves Ky School Bond	P	02/11/13	07/24/13
2. 8974456 shares Growth Fund of America	P	Various	05/30/13
3. 13,562,291 shares Income Fund of America	P	Various	05/30/13
4. 31121403 shares Washington Mutual Investors Fund	P	Various	05/30/13
5. 2967359 shares Fundamental Investors Fund	P	Various	05/30/13
6. 971,440 shares GECC International Notes	P	04/25/02	11/22/13
7. 22000 GECC International Notes	P	11/03/04	02/05/13
8. 1853871 Shares Small Cap World Fund	P	Various	05/30/13
9. 75000 Wyoming State Dev Ath	P	08/17/11	08/22/13
		(G) COST OR OTHER BASIS PLUS EXPENSE OF SALE	(H) GAIN OR (LOSS) (E) PLUS (F) MINUS (G)
1. 25000		25,000	0
2. 354940		202,378	152,562
3. 267584		226,797	40,787
4. 113074		90,783	22,291
5. 140000		70,440	69,560
6. 50000		26,668	23,334
7. 22000		22,000	0
8. 85000		36,861	48,139
9. 76491		75,702	789
2 CAPITAL GAIN NET INCOME OR (NET CAPITAL LOSS)		(IF GAIN, ALSO ENTER IN PART 1, LINE 7)	(IF LOSS), ENTER -0- IN PART 1, LINE 7)
			357,462

**PURPOSE OF GRANT OR CONTRIBUTION  
(ATTACHMENT FOR PART XV)**

**PART XV SUPPLEMENTARY INFORMATION  
#3 GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR OR APPROVED  
FOR FUTURE PAYMENT**

**PURPOSE OF GRANT OR CONTRIBUTION (FOR BOTH PAYMENT DURING  
THE YEAR AND FUTURE PAYMENT)**

**THE PURPOSE SHALL BE TO PROVIDE FULL SCHOLARSHIP SUPPORT,  
INCLUDING TUITION, BOOKS, ROOM, BOARD, AND SUPPLIES, TO THREE  
ENTERING COLLEGE STUDENTS IN GOOD STANDING WHO: (A) ARE  
PURSUING A DEGREE IN THE COLLEGE OF LETTERS AND SCIENCE, (B)  
HAVE AN INTEREST IN PURSUING A CAREER IN ACTING AND/OR DRAMA,  
(C) PREFERABLY ARE RESIDENTS OF THE STATES OF TENNESSEE AND/OR  
KENTUCKY, AND (D) DEMONSTRATE FINANCIAL NEED.**

Pledge Agreement for Jim Varney Foundation

September 8, 2014

Patricia A. Turner, Ph.D.  
Dean and Vice Provost of Undergraduate Education  
c/o Beatrix Richman  
1309 Murphy Hall  
Los Angeles, California 90095

Dear Vice Provost Turner,

On behalf of the Board of Directors of the Jim Varney Foundation, we are pleased to continue the irrevocable pledge to the UCLA Foundation over four (4) years to support the freshman, sophomore, and junior undergraduate students selected as Jim Varney Scholars for academic year 2014. Our first payment of \$160,209.00 is enclosed.

Additional pledge payments will be made according to the following schedule:

September 15, 2015;  
September 15, 2016; and  
September 15, 2017

This gift shall be used to continue the JIM VARNEY SCHOLARSHIP FUND and is intended to support existing Varney scholars through 2017. No additional new student will be selected until Fall 2017. It is our intention to cover out-of-state tuition, fees, books, living expenses and incidentals for each scholar for the duration of their four years of study at UCLA.

This pledge supersedes previous pledge agreements. We understand that you may make commitments to students in reliance on this pledge and that the existence of this pledge may be made known to the public.

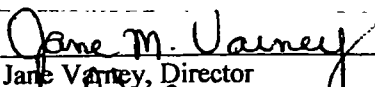
As is customary with universities and other non-profit organizations across the country, a one-time gift fee is applied to each pledge payment in order to provide essential support necessary to UCLA's overall operation. The fee is currently 6.5%.

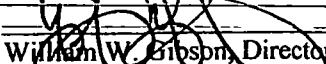
It gives us great satisfaction to know that the Jim Varney Scholarship Fund is playing a vital role in advancing UCLA's educational mission.

Sincerely,

The Varney Foundation Board

By:   
Erwin C. Hardison, III, Director

By:   
Jane Varney, Director

By:   
William W. Gibson, Director

160,209  
x 4  
640,836

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

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

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

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

<b>Type or print</b>  <small>File by the due date for filing your return See instructions</small>	<b>Enter filer's identifying number, see instructions</b>	
	Name of exempt organization or other filer, see instructions	Employer identification number (EIN) or
	THE VARNEY FOUNDATION	X 62-1811033
	Number, street, and room or suite no. If a P O box, see instructions	Social security number (SSN)
	PO BOX 140260	
	City, town or post office, state, and ZIP code For a foreign address, see instructions	
	NASHVILLE, TN 37214	

Enter the Return code for the return that this application is for (file a separate application for each return) . . . . . **0 4**

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01		
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

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

- The books are in the care of ► ERWIN C. HARDISON, III  
Telephone No ► 615-883-8881 Fax No ► 615-883-1698
- If the organization does not have an office or place of business in the United States, check this box . . . . .
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ If this is for the whole group, check this box . . . . .  If it is for part of the group, check this box . . . . .  and attach a list with the names and EINs of all members the extension is for

4 I request an additional 3-month extension of time until NOVEMBER 15, 20 14

5 For calendar year 2013, or other tax year beginning \_\_\_\_\_, 20\_\_\_\_, and ending \_\_\_\_\_, 20\_\_\_\_

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

7 State in detail why you need the extension WE ARE AWAITING ADDITIONAL COST BASIS AND MARKET VALUE INVESTMENT INFORMATION THAT IS MATERIAL TO THE ACCURACY OF THE RETURN. WE EXPECT TO HAVE THIS INFORMATION BY THE REQUESTED DUE DATE.

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

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

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

Signature ► \_\_\_\_\_ Title ► \_\_\_\_\_ Date ► \_\_\_\_\_