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

2010

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

For calendar year 2010, or tax year beginning , and ending

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

Name of foundation CHARIS FOUNDATION, INC. C/O STEINER & ELLIS, PLLC		A Employer identification number 62-1867423
Number and street (or P O box number if mail is not delivered to street address) 5516 LONAS DRIVE	Room/suite 260	B Telephone number (865) 212-3800
City or town, state, and ZIP code KNOXVILLE, TN 37909		C If exemption application is pending, check here ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 15,013,752.	J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
(Part I, column (d) must be on cash basis.)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check ☒ If the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		335,425.	335,425.		
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		425,963.			
b Gross sales price for all assets on line 6a					
7 Capital gain net income (from Part IV, line 2)			425,963.		
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)					
11 Other income		7,695.	7,695.		
12 Total. Add lines 1 through 11		769,083.	769,083.		
13 Compensation of officers, directors, trustees, etc		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees		9,898.	9,898.		0.
c Other professional fees					
17 Interest		100,249.	149.		0.
18 Taxes		8,143.	8,123.		20.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses		43,611.	43,415.		187.
24 Total operating and administrative expenses. Add lines 13 through 23		161,901.	61,585.		207.
25 Contributions, gifts, grants paid		614,500.			614,500.
26 Total expenses and disbursements. Add lines 24 and 25		776,401.	61,585.		614,707.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		-7,318.			
b Net investment income (if negative, enter -0-)			707,498.		
c Adjusted net income (if negative, enter -0-)				N/A	

Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	150,387.	66,348.	66,348.
	2 Savings and temporary cash investments	647,377.	6,712.	6,712.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶ 1,625,000.			
	Less: allowance for doubtful accounts ▶ 0.	1,625,000.	1,625,000.	1,625,000.
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock			
	c Investments - corporate bonds			
Liabilities	11 Investments - land, buildings, and equipment basis ▶			
	Less: accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 6	11,278,211.	11,995,597.	13,315,692.
	14 Land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers)	13,700,975.	13,693,657.	15,013,752.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
Net Assets or Fund Balances	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable	1,625,000.	1,625,000.	
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	1,625,000.	1,625,000.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐			
	and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒			
	and complete lines 27 through 31			
	27 Capital stock, trust principal, or current funds	0.	0.	
28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.		
29 Retained earnings, accumulated income, endowment, or other funds	12,075,975.	12,068,657.		
30 Total net assets or fund balances	12,075,975.	12,068,657.		
31 Total liabilities and net assets/fund balances	13,700,975.	13,693,657.		

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	12,075,975.
2 Enter amount from Part I, line 27a	2	-7,318.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	12,068,657.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	12,068,657.

Form 990-PF (2010)

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 FROM K-1 HASLAM FOUNDATIONS PARTNERSHIP	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			425,963.
b			
c			
d			
e			

(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			425,963.
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	425,963.
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). If (loss), enter -0- in Part I, line 8		3	N/A

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

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

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

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

☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	780,603.	12,395,710.	.062974
2008	817,084.	13,970,097.	.058488
2007	893,825.	15,803,229.	.056560
2006	805,193.	14,079,158.	.057190
2005	512,146.	11,808,758.	.043370

2 Total of line 1, column (d)	2	.278582
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	.055716
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	12,643,530.
5 Multiply line 4 by line 3	5	704,447.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	7,075.
7 Add lines 5 and 6	7	711,522.
8 Enter qualifying distributions from Part XII, line 4	8	614,707.

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	14,150.
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	14,150.
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	14,150.
6 Credits/Payments:			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	3,455.	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c	21,000.	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	24,455.	
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	10,305.	
11 Enter the amount of line 10 to be: Credited to 2011 estimated tax ☐ 10,305. Refunded ☐	11	0.	

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 definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ☐ \$ 0. (2) On foundation managers. ☐ \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ☐ \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ☐ TN		
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 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	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 ► STEINER & ELLIS, PLLC Telephone no. ► (865) 212-3800 Located at ► 5516 LONAS DRIVE, STE. 260, KNOXVILLE, TN ZIP+4 ► 37909			
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 N/A			
16	At any time during calendar year 2010, 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 page 20 of 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 page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here N/A ► ☐	1b	
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 2010?	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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? If "Yes," list the years ► , , , ☐ 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	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? ☐ Yes ☒ No		
b	If "Yes," did it have excess business holdings in 2010 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 2010.) N/A	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b	X

Form 990-PF (2010)

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

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

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

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

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

N/A

☐ Yes ☐ No

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

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

6b

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

X

If "Yes" to 6b, file Form 8870

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

N/A

7b

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

(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
WILLIAM E. HASLAM 7112 SHERWOOD DRIVE KNOXVILLE, TN 37919	PRESIDENT & DIRECTOR 0.00	0.	0.	0.
CRISTEN G. HASLAM 7112 SHERWOOD DRIVE KNOXVILLE, TN 37919	VICE PRESIDENT & DIRECTOR 0.00	0.	0.	0.
J. TODD ELLIS 5516 LONAS DRIVE, STE. 260 KNOXVILLE, TN 37909	SECRETARY, TREASURER & DIR 0.00	0.	0.	0.

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

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NO COMPENSATED EMPLOYEES	0.00	0.	0.	0.

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

0

Form 990-PF (2010)

Part VIII**Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** (continued)**3** Five highest-paid independent contractors for professional services. If none, enter "NONE."

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

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

0

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 NO DIRECT CHARITABLE ACTIVITIES IN 2010	
	0.
2	
3	
4	

Part IX-B Summary of Program-Related Investments

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

	Amount
1 NO PROGRAM RELATED INVESTMENTS IN 2010	
	0.
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

Form 990-PF (2010)

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	12,481,418.
b	Average of monthly cash balances	1b	354,653.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	12,836,071.
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	12,836,071.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	192,541.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	12,643,530.
6	Minimum investment return. Enter 5% of line 5	6	632,177.

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	632,177.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	14,150.
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	14,150.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	618,027.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	618,027.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	618,027.

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	614,707.
b	Program-related investments - total from Part IX-B	1b	0.
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	614,707.
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	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	614,707.

Note The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Form 990-PF (2010)

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				618,027.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006	60,805.			
c From 2007	114,126.			
d From 2008	121,351.			
e From 2009	163,017.			
f Total of lines 3a through e	459,299.			
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$ 614,707.				
a Applied to 2009, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2010 distributable amount				614,707.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)	3,320.			3,320.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	455,979.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
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		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	455,979.			
10 Analysis of line 9:				
a Excess from 2006	57,485.			
b Excess from 2007	114,126.			
c Excess from 2008	121,351.			
d Excess from 2009	163,017.			
e Excess from 2010				

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

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 2010, enter the date of the ruling

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

	Tax year				Prior 3 years	(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007		
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 the 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).)

SEE STATEMENT 7

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 of the person to whom applications should be addressed:

SEE STATEMENT 8

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

c Any submission deadlines:

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

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

023611 12-07-10

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclu- sion 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	335,425.		
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			14	7,695.		
8 Gain or (loss) from sales of assets other than inventory			18	425,963.		
9 Net income or (loss) from special events						
10 Gross profit or (loss) from sales of inventory						
11 Other revenue:						
a _____						
b _____						
c _____						
d _____						
e _____						
12 Subtotal. Add columns (b), (d), and (e)		0.		769,083.		0.
13 Total Add line 12, columns (b), (d), and (e)					13	769,083.

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

		Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
a	Transfers from the reporting foundation to a noncharitable exempt organization of:		
	(1) Cash	1a(1)	X
	(2) Other assets	1a(2)	X
b	Other transactions:		
	(1) Sales of assets to a noncharitable exempt organization	1b(1)	X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)	X
	(3) Rental of facilities, equipment, or other assets	1b(3)	X
	(4) Reimbursement arrangements	1b(4)	X
	(5) Loans or loan guarantees	1b(5)	X
	(6) Performance of services or membership or fundraising solicitations	1b(6)	X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	X
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.		

[illegible]

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

☐ Yes ☒ No

b If "Yes," complete the following schedule.

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

**Sign
Here**

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

Signature of officer or trustee

Date _____

TREASURER

Title

Print/Type preparer's name

Preparer's signature

Date

Check ☒ self-employed

PTIN

**Paid
Preparer
Use Only**

JIM R. SHELBY

J. R. Kelly

11-11-11

PO1085891

Firm's name ► JIM R. SHELBY, CPA

Firm's EIN **62-0823966**

Firm's address ► 4823 OLD KINGSTON PIKE, SUITE 100
KNOXVILLE, TN 37919

Phone no. (865) 971-1902

Form **990-PF** (2010)

FORM 990-PF **DIVIDENDS AND INTEREST FROM SECURITIES** **STATEMENT** **1**

<u>SOURCE</u>	<u>GROSS AMOUNT</u>	<u>CAPITAL GAINS DIVIDENDS</u>	<u>COLUMN (A) AMOUNT</u>
BARCLAYS	1.	0.	1.
FROM K-1 HASLAM FAMILY PARTNERSHIP	335,424.	0.	335,424.
TOTAL TO FM 990-PF, PART I, LN 4	335,425.	0.	335,425.

FORM 990-PF **OTHER INCOME** **STATEMENT** **2**

<u>DESCRIPTION</u>	<u>(A) REVENUE PER BOOKS</u>	<u>(B) NET INVEST- MENT INCOME</u>	<u>(C) ADJUSTED NET INCOME</u>
FROM K-1 HASLAM FAMILY PARTNERSHIP	7,695.	7,695.	
TOTAL TO FORM 990-PF, PART I, LINE 11	7,695.	7,695.	

FORM 990-PF **ACCOUNTING FEES** **STATEMENT** **3**

<u>DESCRIPTION</u>	<u>(A) EXPENSES PER BOOKS</u>	<u>(B) NET INVEST- MENT INCOME</u>	<u>(C) ADJUSTED NET INCOME</u>	<u>(D) CHARITABLE PURPOSES</u>
PROFESSIONAL FEES	9,898.	9,898.		0.
TO FORM 990-PF, PG 1, LN 16B	9,898.	9,898.		0.

FORM 990-PF **TAXES** **STATEMENT** **4**

<u>DESCRIPTION</u>	<u>(A) EXPENSES PER BOOKS</u>	<u>(B) NET INVEST- MENT INCOME</u>	<u>(C) ADJUSTED NET INCOME</u>	<u>(D) CHARITABLE PURPOSES</u>
FOREIGN TAXES	3,737.	3,737.		0.
TENNESSEE ANNUAL REPORT FEE	20.	0.		20.
STATE AND LOCAL	4,386.	4,386.		0.
TO FORM 990-PF, PG 1, LN 18	8,143.	8,123.		20.

FORM 990-PF	OTHER EXPENSES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT EXPENSES	43,415.	43,415.		0.
DUES & SUBSCRIPTIONS	187.	0.		187.
NONDEDUCTIBLE EXPENSES FROM PASSTHROUGH	9.	0.		0.
TO FORM 990-PF, PG 1, LN 23	43,611.	43,415.		187.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	6
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
MORGAN STANLEY OPPORTUNISTIC FUND	COST	1,712.	18,355.
BARCLAYS WEALTH ADVISOR SERIES	COST		
GLOBAL EQUITY LTD		500,000.	646,218.
INVESTMENT IN HASLAM FOUNDATIONS PARTNERSHIP	COST	11,493,885.	12,651,119.
TOTAL TO FORM 990-PF, PART II, LINE 13		11,995,597.	13,315,692.

FORM 990-PF	PART XV - LINE 1A LIST OF FOUNDATION MANAGERS	STATEMENT	7
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NAME OF MANAGER

WILLIAM E. HASLAM
CRISTEN G. HASLAM

FORM 990-PF	GRANT APPLICATION SUBMISSION INFORMATION	STATEMENT	8
	PART XV, LINES 2A THROUGH 2D		

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

J. TODD ELLIS
P.O. BOX 52206
KNOXVILLE, TN 379502206

TELEPHONE NUMBER

865-212-3800

FORM AND CONTENT OF APPLICATIONS

WRITTEN REQUEST STATING AMOUNT AND PURPOSE OF REQUEST, MOST RECENT AUDITED
FINANCIAL STATEMENTS, AND COPY OF TAX EXEMPT RULING

ANY SUBMISSION DEADLINES

JUNE 30, DECEMBER 31

RESTRICTIONS AND LIMITATIONS ON AWARDS

ONLY TO TAX EXEMPT 501(C)(3) ORGANIZATIONS; PREFERENCE GIVEN TO
ORGANIZATIONS IN THE EAST TENNESSEE AREA.

Name and Address	Relationship to Foundation Manager or Substantial Contributor	Status of Recipient	Purpose of Grant or Contribution	IRS BMF	Amount
American Heart Association 4708 Papermill Drive Knoxville, TN 37909	N/A	Public Charity - an organization described in section 501(c)(3)	To build healthier lives free of cardiovascular disease and stroke, America's No. 1 and No. 3 killers	509(a)(1)	2,500
Asian Access LIFE Ministries 2220 E Route 66, Suite 201 Glendora, CA 91740	N/A	Public Charity - an organization described in section 501(c)(3)	To identify, develop and release emerging kingdom leaders to unite the church, multiply leaders and congregations, and extend the transforming power of the Gospel of Jesus Christ	509(a)(1)	2,500
Boys & Girls Clubs of the Tennessee Valley 220 Camck Street, Suite 318 Knoxville, TN 37921	N/A	Public Charity - an organization described in section 501(c)(3)	To help the youth in Knox County and the surrounding East Tennessee area to reach their full potential as productive, caring, responsible citizens	509(a)(1)	20,000
Clemson University Foundation P O Box 1889 Clemson, SC 29634	N/A	Public Charity - an organization described in section 501(c)(3)	To promote the welfare and future development of Clemson University education	509(a)(1)	10,000
East Tennessee Children's Hospital Association, Inc 2018 Clinch Avenue Knoxville, TN 37916	N/A	Public Charity - an organization described in section 501(c)(3)	To improve the health of children	509(a)(1)	20,000
East Tennessee Foundation 625 Market Street, Suite 1400 Knoxville, TN 37902	N/A	Public Charity - an organization described in section 501(c)(3)	To end chronic homelessness	509(a)(1)	100,000
Echo Resources 7108 Rotherwood Drive Knoxville, TN 37919	N/A	Public Charity - an organization described in section 501(c)(3)	To provide resources, help, and support to ministers	509(a)(1)	1,000
El Puente, Inc 1317 Connecticut Avenue Knoxville, TN 37921	N/A	Public Charity - an organization described in section 501(c)(3)	To bridge the gap toward sustainable spiritual and economic health for the Latino immigrants (and their neighbors) in East Tennessee, equipping them for a return to their native lands as agents of transformation	509(a)(1)	1,000
Emerald Youth Foundation 1718 N Central Street Knoxville, TN 37917	N/A	Public Charity - an organization described in section 501(c)(3)	To develop Christian leaders who use their knowledge, skills, and gifts to renew their communities	509(a)(1)	76,000
Hospitality Pantnes, Inc FISH 800 Northshore Drive Knoxville, TN 37919	N/A	Public Charity - an organization described in section 501(c)(3)	To provide food to the needy and homeless	509(a)(1)	5,000
Goodwill Industries - Knoxville, Inc P O Box 11066 Knoxville, TN 37939	N/A	Public Charity - an organization described in section 501(c)(3)	To empower individuals to earn a living and strengthen their community	509(a)(1)	5,000
Boy Scouts of America Great Smoky Mountain Council PO Box 51885 Knoxville, TN 37950	N/A	Public Charity - an organization described in section 501(c)(3)	To prepare young people to make ethical choices over their lifetime through a youth program of character development and values-based leadership training	509(a)(1)	8,500
Harmony Adoptions of Tennessee, Inc 131 Cherokee Heights Drive Maryville, TN 37801	N/A	Public Charity - an organization described in section 501(c)(3)	To share life, love and joy through adoption	509(a)(1)	20,000
Hope Resource Center 2700 Painter Avenue Knoxville, TN 37919	N/A	Public Charity - an organization described in section 501(c)(3)	To provide free care and education to expectant mothers	509(a)(1)	10,000
Maryville College 502 East Lamar Alexander Parkway Maryville, TN 37804	N/A	Public Charity - an organization described in section 501(c)(3)	To maintain educational institution properties	509(a)(1)	40,000
Positively Living Inc 1501 E Fifth Avenue Knoxville, TN 37917	N/A	Public Charity - an organization described in section 501(c)(3)	To help provide adult care-catastrophic illnesses	509(a)(1)	5,000
The Mailbox Club, Inc 404 Eager Road Valdosta, GA 31602	N/A	Public Charity - an organization described in section 501(c)(3)	To provide Bible correspondence lessons, Christian books, and tracts to be distributed throughout the United States and foreign countries	509(a)(2)	1,000
The Next Door P O Box 282 Knoxville, TN 37901	N/A	Public Charity - an organization described in section 501(c)(3)	To help women coming from incarceration in Knoxville and the contiguous counties find hope and help to re-enter society and rebuild their lives	509(a)(1)	5,000
United Way of Greater Knoxville, Inc PO Box 328 Knoxville, TN 37901	N/A	Public Charity - an organization described in section 501(c)(3)	To bring volunteers and companies together in order to improve people's lives	509(a)(1)	125,000

Name and Address	Relationship to Foundation Manager or Substantial Contributor	Status of Recipient	Purpose of Grant or Contribution	IRS BMF	Amount
The University of Tennessee Foundation, Inc Office of the Treasurer Knoxville, TN 37996	N/A	Public Charity - an organization described in section 501(c)(3)	To maintain educational institution properties	509(a)(1)	62,500
Webb School of Knoxville 9800 Webb School Drive Knoxville, TN 37923	N/A	Public Charity - an organization described in section 501(c)(3)	To maintain educational institution properties	509(a)(1)	75,000
Wesley House Community Center 923 Dameron Avenue Knoxville, TN 37921	N/A	Public Charity - an organization described in section 501(c)(3)	To support the after school program that helps enhance children's learning beyond their school environment	509(a)(1)	500
YMCA of East Tennessee, Inc PO Box 2778 Knoxville, TN 37901-2778	N/A	Public Charity - an organization described in section 501(c)(3)	To provide cultural, educational, recreational and personal development programs	509(a)(2)	21,000
Total Contributions					614,500