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Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust

Treated as a Private Foundation

2010

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.

For calendar year 2010, or tax year beginning OCT 1, 2010, and ending SEP 30, 2011

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 CLIFTON AND CLARA WARD FOUNDATION		A Employer identification number 58-1917676
Number and street (or P.O. box number if mail is not delivered to street address) 7 NORTH LYNNCREST DRIVE	Room/suite	B Telephone number (423) 756-3000
City or town, state, and ZIP code CHATTANOOGA, TN 37411-1820		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) \$ 1,584,326.	J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____	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 ☐

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		38,305.	38,305.		STATEMENT 1
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		38,821.			
b Gross sales price for all assets on line 6a		261,987.			
7 Capital gain net income (from Part IV, line 2)			38,821.		
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		33.	33.		STATEMENT 2
12 Total. Add lines 1 through 11		77,159.	77,159.		
13 Compensation of officers, directors, trustees, etc.		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees STMT 3		8,750.	0.		8,750.
b Accounting fees					
c Other professional fees STMT 4		17,100.	17,100.		0.
17 Interest					
18 Taxes STMT 5		304.	125.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings		950.	0.		950.
22 Printing and publications					
23 Other expenses STMT 6		20.	0.		20.
24 Total operating and administrative expenses. Add lines 13 through 23		27,124.	17,225.		9,720.
25 Contributions, gifts, grants paid		75,000.			75,000.
26 Total expenses and disbursements. Add lines 24 and 25		102,124.	17,225.		84,720.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		-24,965.			
b Net investment income (if negative, enter -0-)			59,934.		
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		338.	248.	248.
	2	Savings and temporary cash investments		47,433.	30,511.	30,511.
	3	Accounts receivable ▶				
		Less: allowance for doubtful accounts ▶				
	4	Pledges receivable ▶				
		Less: allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons				
	7	Other notes and loans receivable ▶				
		Less: allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments - U.S. and state government obligations				
	b	Investments - corporate stock	STMT 7	767,741.	758,511.	820,190.
	c	Investments - corporate bonds				
11	Investments - land, buildings, and equipment basis ▶					
	Less accumulated depreciation ▶					
12	Investments - mortgage loans					
13	Investments - other	STMT 8	740,777.	742,054.	733,377.	
14	Land, buildings, and equipment basis ▶					
	Less accumulated depreciation ▶					
15	Other assets (describe ▶)					
16	Total assets (to be completed by all filers)		1,556,289.	1,531,324.	1,584,326.	
Liabilities	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				
	22	Other liabilities (describe ▶)				
23	Total liabilities (add lines 17 through 22)		0.	0.		
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		1,556,289.	1,531,324.	
	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		1,556,289.	1,531,324.	
	31	Total liabilities and net assets/fund balances		1,556,289.	1,531,324.	

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	1,556,289.
2	Enter amount from Part I, line 27a	2	-24,965.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	1,531,324.
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	1,531,324.

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 "PUBLICLY TRADED SECURITIES"	P	VARIOUS	VARIOUS
b "PUBLICLY TRADED SECURITIES"	P	VARIOUS	VARIOUS
c CAPITAL GAINS DIVIDENDS			
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 72,560.		71,626.	934.
b 182,942.		151,540.	31,402.
c 6,485.			6,485.
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			934.
b			31,402.
c			6,485.
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 38,821.
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	86,699.	1,607,755.	.053926
2008	89,119.	1,427,317.	.062438
2007	94,420.	1,815,135.	.052018
2006	83,759.	2,006,574.	.041742
2005	71,492.	1,869,906.	.038233

2 Total of line 1, column (d)	2 .248357
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 .049671
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4 1,755,309.
5 Multiply line 4 by line 3	5 87,188.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6 599.
7 Add lines 5 and 6	7 87,787.
8 Enter qualifying distributions from Part XII, line 4	8 84,720.

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	1,199.
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	1,199.
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	1,199.
6 Credits/Payments:			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	53.	
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	53.	
8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	5.	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	1,151.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11 Enter the amount of line 10 to be: Credited to 2011 estimated tax ☐ 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 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

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 ► <u>N/A</u>	13	X	
14	The books are in care of ► <u>GLENN C. STOPHEL</u> Telephone no. ► <u>(423) 756-3000</u> Located at ► <u>1000 TALLAN BLDG, 2 UNION SQUARE, CHATTANOOGA, TN</u> ZIP+4 ► <u>37402-2500</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year	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
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
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

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

6b

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

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

6b

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

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.

(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 9		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
NONE				

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

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	1,745,480.
b	Average of monthly cash balances	1b	36,560.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	1,782,040.
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	1,782,040.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	26,731.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,755,309.
6	Minimum investment return. Enter 5% of line 5	6	87,765.

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	87,765.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	1,199.
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	1,199.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	86,566.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	86,566.
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	86,566.

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	84,720.
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	84,720.
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	84,720.

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 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				86,566.
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				
c From 2007	4,689.			
d From 2008	18,215.			
e From 2009	6,775.			
f Total of lines 3a through e	29,679.			
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$	84,720.			
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				84,720.
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))	1,846.			1,846.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	27,833.			
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	27,833.			
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007	2,843.			
c Excess from 2008	18,215.			
d Excess from 2009	6,775.			
e Excess from 2010				

N/A

- ☐ 4942(j)(3) or ☐ 4942(j)(5)

- (4) Gross investment income

[illegible]

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

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 10				
Total			3a	75,000.
b Approved for future payment				
NONE				
Total			3b	0.

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	1
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
FIRST TENNESSEE BANK - NOMINEE - DIVIDENDS	24,308.	6,485.	17,823.
MORGAN STANLEY SMITH BARNEY - DIVIDENDS	18,848.	0.	18,848.
SENTINEL COMMON STOCK FUNDS	1,634.	0.	1,634.
TOTAL TO FM 990-PF, PART I, LN 4	44,790.	6,485.	38,305.

FORM 990-PF	OTHER INCOME	STATEMENT	2
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DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
MISCELLANEOUS INCOME	33.	33.	
TOTAL TO FORM 990-PF, PART I, LINE 11	33.	33.	

FORM 990-PF	LEGAL FEES	STATEMENT	3
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
CHAMBLISS, BAHNER & STOPHEL, P.C.	8,750.	0.		8,750.
TO FM 990-PF, PG 1, LN 16A	8,750.	0.		8,750.

FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MORGAN STANLEY SMITH BARNEY	12,272.	12,272.		0.
FIRST TENNESSEE BANK	4,828.	4,828.		0.
TO FORM 990-PF, PG 1, LN 16C	17,100.	17,100.		0.

FORM 990-PF	TAXES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL EXCISE TAX	179.	0.		0.
FOREIGN TAX WITHHELD ON DIVIDENDS	125.	125.		0.
TO FORM 990-PF, PG 1, LN 18	304.	125.		0.

FORM 990-PF	OTHER EXPENSES	STATEMENT	6
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
STATE ANNUAL REPORT	20.	0.		20.
TO FORM 990-PF, PG 1, LN 23	20.	0.		20.

FORM 990-PF	CORPORATE STOCK	STATEMENT	7
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE	
CORPORATE STOCK - SCHEDULE ATTACHED	758,511.	820,190.	
TOTAL TO FORM 990-PF, PART II, LINE 10B	758,511.	820,190.	

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	8
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
MUTUAL FUNDS - SCHEDULE ATTACHED	COST	740,764.	732,087.
UNSETTLED SALES/PURCHASES	COST	1,290.	1,290.
TOTAL TO FORM 990-PF, PART II, LINE 13		742,054.	733,377.

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS,
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 9

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN EXPENSE CONTRIB ACCOUNT
CLARA T. WARD 7 NORTH LYNNCREST DRIVE CHATTANOOGA, TN 37411	PRESIDENT & TRUSTEE 0.25	0.	0. 0.
GLENN C. STOPHEL CHAMBLISS, BAHNER & STOPHEL, 1000 TALLAN BLDG. CHATTANOOGA, TN 37402	SEC-TREASURER, TRUSTEE 0.25	0.	0. 0.
CARL K. WARD 1535 OAKVIEW HEIGHTS KENOVA, WV 25530	TRUSTEE 0.10	0.	0. 0.
RAY THOMPSON 8167 SUGARBUSH DRIVE SPRING HILL, FL 34606	TRUSTEE 0.10	0.	0. 0.
MARK D. YATES 8735 CRESTBROOK CIRCLE CHATTANOOGA, TN 37421	TRUSTEE 0.25	0.	0. 0.
B.H. YERBEY, JR. 1066 CONSTITUTION DRIVE CHATTANOOGA, TN 37405	TRUSTEE 0.10	0.	0. 0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0. 0.

FORM 990-PF

GRANTS AND CONTRIBUTIONS
PAID DURING THE YEAR

STATEMENT 10

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
ANKERBERG THEOLOGICAL RESEARCH INSTITUTE P.O. BOX 8977 CHATTANOOGA, TN 374140977	NONE OPERATING FUNDS	501(C)(3) ORGANIZATI	5,000.
BAPTIST WORLD ALLIANCE 405 N. WASHINGTON STREET FALLS CHURCH, VA 22046	NONE OPERATING FUNDS	PUBLIC CHARITY	5,000.
BETHEL BIBLE VILLAGE 3001 HAMILL ROAD HIXSON, TN 37343	NONE OPERATING FUNDS	SCHOOL	10,000.
BRYAN COLLEGE 411 BRYAN DRIVE DAYTON, TN 373216269	NONE OPERATING FUNDS	COLLEGE	10,000.
CARSON-NEWMAN COLLEGE RUSSELL AVENUE JEFFERSON CITY, TN 37760	NONE OPERATING FUNDS	COLLEGE	10,000.
HAGGAI INSTITUTE FOR ADVANCED LEADERSHIP TRAINING P.O. BOX 13 ATLANTA, GA 303709901	NONE OPERATING FUNDS	PUBLIC CHARITY	25,000.
UNIVERSITY OF TENNESSEE AT CHATTANOOGA 615 MCCALLIE AVENUE CHATTANOOGA, TN 37403	NONE OPERATING FUNDS	COLLEGE	10,000.
TOTAL TO FORM 990-PF, PART XV, LINE 3A			75,000.

CLIFTON AND CLARA WARD FOUNDATION

PORTFOLIO VALUE REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2011

Security	Shares or Face	Price Per Share	Fair Market Value	Cost Basis	Unrealized Gain or (Loss)
Mutual Funds:					
Consumer Staples Select SPDR	150	29.660	\$ 4,449.00	\$ 3,233.61	\$ 1,215.39
Financial Select Sector SPDR	465	11.8100	5,491.65	5,958.55	(466.90)
Health Care Select Sector SPDR	120	31.730	3,807.60	3,191.69	615.91
Ishares MSCI EAFE Index Fund	720	47.780	34,401.60	31,090.24	3,311.36
Pimco Low Duration Fund	5,041.036	10.280	51,821.85	52,389.68	(567.83)
Pimco Total Return Fund	9,856.723	10.790	106,354.04	109,295.95	(2,941.91)
Powershares QQQ Trust	200	52.490	10,498.00	11,504.00	(1,006.00)
Sentinel Common Stock Fund	6,073.308	28.270	171,692.42	193,485.38	(21,792.96)
SPDR DJ Wilshire Total Market	830	84.180	69,869.40	52,945.70	16,923.70
SPDR DJIA Trust	400	108.930	43,572.00	43,848.00	(276.00)
Standard & Poors Deposit Receipt	450	113.150	50,917.50	57,730.50	(6,813.00)
T. Rowe Price Blue Chip Growth	716.573	35.120	25,166.04	23,287.89	1,878.15
Technology Select Sector SPDR	200	23.600	4,720.00	3,367.54	1,352.46
Vanguard Intermediate Term Bond Index Fd	4,220.630	11.830	49,930.05	47,039.34	2,890.71
Vanguard Mid-Cap Growth Fund	1,537.692	17.340	26,663.58	25,087.22	1,576.36
Vanguard Short-Term Bond Fund	12.582	10.660	134.12	135.65	(1.53)
Vanguard Short-Term Investment Grade Bd	4,865.253	10.660	51,863.60	52,075.53	(211.93)
Victory Established Value Fund	912.996	22.710	20,734.14	25,098.01	(4,363.87)
Total Mutual Funds			732,086.59	740,764.48	(8,677.89)
Corporate Stocks:					
AT&T, Inc.	390	28.52	11,122.80	9,983.58	1,139.22
3M Company	110	71.79	7,896.90	8,487.32	(590.42)
Abbott Laboratories	485	51.14	24,802.90	15,232.27	9,570.63
Allied World Assurance Company	145	53.71	7,787.95	6,228.66	1,559.29
AllState Corporation	300	23.69	7,107.00	8,636.19	(1,529.19)
Annally Capital Management, Inc.	280	16.63	4,656.40	5,050.86	(394.46)
Apache Corporation	25	80.24	2,006.00	3,020.12	(1,014.12)
Applied Materials, Inc. Delaware	975	10.36	10,096.13	15,147.89	(5,051.77)
Automatic Data Processing	140	47.15	6,601.00	3,601.01	2,999.99
Baker Hughes, Inc.	110	46.15	5,076.50	5,828.32	(751.82)
Berkshire Hathaway, Inc. Class B	135	71.04	9,590.40	7,333.34	2,257.06
BHP Billiton LTD Sponsored ADR	55	66.44	3,654.20	3,699.66	(45.46)
Blackrock, Inc.	30	148.01	4,440.30	4,988.28	(547.98)
Boeing Company	150	60.51	9,076.50	9,883.32	(806.82)
Bristol Myers Squibb Company	200	31.38	6,276.00	2,836.28	3,439.72
Carnival Corporation	155	30.30	4,696.50	4,202.32	494.18
Celanese Corporation, Series A	65	32.53	2,114.45	3,147.08	(1,032.63)
ChevronTexaco	154	92.59	14,258.86	3,197.50	11,061.36
Chubb Corporation	220	59.99	13,197.80	8,692.16	4,505.64
Cisco Systems, Inc.	1,165	15.50	18,057.50	20,563.61	(2,506.11)
Citigroup, Inc.	65	25.62	1,664.98	2,931.61	(1,266.64)
Comcast Corporation	422	20.92	8,828.24	7,327.74	1,500.50
ConocoPhillips	145	63.32	9,181.40	6,893.93	2,287.47
CSX Corporation	600	18.67	11,202.00	3,819.25	7,382.75
Deere & Company	125	64.57	8,071.25	6,832.46	1,238.79
Devon Energy Corporation New	120	55.44	6,652.80	7,580.91	(928.11)

CLIFTON AND CLARA WARD FOUNDATION

PORTFOLIO VALUE REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2011

Security	Shares or Face	Price Per Share	Fair Market Value	Cost Basis	Unrealized Gain or (Loss)
Dover Corporation	125	46.60	5,825.00	6,031.22	(206.22)
Duke Energy Corporation, New	440	19.99	8,795.60	7,385.12	1,410.48
E I Du Pont De Nemours & Company	170	39.97	6,794.90	7,221.88	(426.98)
E M C Corp Massachusetts	260	20.99	5,457.40	3,672.00	1,785.40
Eaton Corporation	70	35.50	2,485.00	3,313.88	(828.88)
Ebay, Inc.	460	29.49	13,565.40	13,023.01	542.39
Emcor Group, Inc.	45	20.33	914.85	1,017.00	(102.15)
Emerson Electric Company	185	41.31	7,642.35	5,946.95	1,695.40
Ericsson L M Tel Company Class B	785	9.55	7,496.75	7,784.47	(287.72)
Exxon Mobil Corporation	165	72.63	11,983.95	6,993.09	4,990.86
First Republic Bank	80	23.16	1,852.80	2,509.06	(656.26)
Fluor Corporation DE	85	46.55	3,956.75	3,970.42	(13.67)
Forest City Enterprises Inc.	170	10.66	1,812.20	4,805.14	(2,992.94)
Franklin Resources, Inc.	60	95.64	5,738.40	4,060.23	1,678.17
Gap, Inc. Delaware	240	16.24	3,897.60	4,425.32	(527.72)
General Electric	380	15.22	5,783.60	12,474.24	(6,690.64)
General Mills, Inc.	260	38.49	10,007.40	6,265.97	3,741.43
Glaxosmithkline PLC Sponsored ADR	105	41.29	4,335.45	4,412.16	(76.71)
Google, Inc.	10	515.04	5,150.40	5,406.03	(255.63)
Greenhill & Company, Inc.	50	28.59	1,429.50	2,477.36	(1,047.86)
Halliburton Company Holdings Company	155	30.52	4,730.60	4,357.17	373.43
Hess Corporation	180	52.46	9,442.80	9,663.65	(220.85)
Home Depot, Inc.	275	32.87	9,039.25	8,541.80	497.45
Honeywell International, Inc.	230	43.91	10,099.30	5,938.71	4,160.59
IBM	160	174.87	27,979.20	16,974.40	11,004.80
Jacobs Engineering Group, Inc.	60	32.29	1,937.40	2,594.77	(657.37)
Johnson & Johnson	360	63.69	22,928.40	19,681.09	3,247.31
Jones Lang Lasalle, Inc.	96	51.81	4,973.76	3,244.30	1,729.46
JP Morgan Chase & Company	915	30.12	27,559.80	30,412.61	(2,852.81)
KeyCorp	735	5.93	4,358.55	4,186.18	172.37
Kimberly Clark Corporation	115	71.01	8,166.15	7,478.33	687.82
KLA-Tencor Corporation	80	38.28	3,062.40	3,169.60	(107.20)
Macy's, Inc.	200	26.32	5,264.00	2,095.00	3,169.00
Mattel, Inc. DE	240	25.89	6,213.60	5,024.65	1,188.95
McDonalds Corporation	200	87.82	17,564.00	2,897.50	14,666.50
Merck & Company, Inc.	335	32.70	10,954.50	11,660.64	(706.14)
Microsoft Corporation	1,495	24.89	37,210.55	42,279.02	(5,068.47)
Monsanto Company	130	60.04	7,805.20	8,941.82	(1,136.62)
Morgan Stanley Dean Witter Company	485	13.51	6,552.35	14,191.39	(7,639.04)
Newfield Exploration Company	70	39.69	2,778.30	1,648.87	1,129.43
Noble Energy, Inc.	65	70.80	4,602.00	3,967.64	634.36
Northrop Grumman Corporation	155	52.17	8,086.35	6,284.69	1,801.66
Novartis AG ADR	210	55.77	11,711.70	10,439.86	1,271.84
Nucor Corporation	125	31.64	3,955.00	5,538.01	(1,583.01)
Oracle Corporation	80	28.74	2,299.20	2,565.90	(266.70)
Oshkosh Truck Company	170	15.74	2,675.80	5,821.30	(3,145.50)
Peeblebrook Hotel Trust	180	15.65	2,817.00	3,095.41	(278.41)
Pepsico	155	61.90	9,594.50	7,920.19	1,674.31
Pfizer, Inc.	720	17.68	12,729.60	19,480.83	(6,751.23)
Plantronics, Inc. New	35	28.45	995.75	1,151.72	(155.97)

CLIFTON AND CLARA WARD FOUNDATION

PORTFOLIO VALUE REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2011

Security	Shares or Face	Price Per Share	Fair Market Value	Cost Basis	Unrealized Gain or (Loss)
PPG Industries	150	70.66	10,599.00	8,339.08	2,259.92
Procter & Gamble Company	140	63.18	8,845.20	8,107.11	738.09
Raytheon Company	175	40.87	7,152.25	5,824.89	1,327.36
Safeway, Inc. New	595	16.63	9,894.85	11,754.91	(1,860.06)
Schlumberger LTD	210	59.73	12,543.30	8,982.95	3,560.35
Southwest Energy Company DEL	90	33.33	2,999.70	3,345.10	(345.40)
Spectra Energy Corporation	270	24.53	6,623.10	3,948.23	2,674.87
Staples, Inc.	200	13.30	2,660.00	4,102.19	(1,442.19)
Symantec Corporation	260	16.30	4,238.00	4,916.63	(678.63)
Target Corporation	100	49.04	4,904.00	5,294.00	(390.00)
Texas Instruments, Inc.	460	26.65	12,259.00	13,128.52	(869.52)
Travelers Companies, Inc.	265	48.73	12,913.45	11,193.99	1,719.46
Unilever PLC Sponsored ADR	320	31.19	9,980.80	7,470.63	2,510.17
United Parcel Service Class B	110	63.15	6,946.50	8,150.62	(1,204.12)
United States Steel Corporation	215	22.01	4,732.15	10,806.93	(6,074.78)
United Technologies Corporation	100	70.36	7,036.00	4,979.50	2,056.50
US Bancorp Del	420	23.54	9,886.80	11,100.69	(1,213.89)
Verizon Communications	100	36.80	3,680.00	2,281.77	1,398.23
Visa, Inc Class A	60	85.72	5,143.20	4,459.04	684.16
Vodafone Group PLC Spons ADR	452	25.66	11,598.32	10,366.25	1,232.07
Wal-Mart Stores, Inc.	120	51.90	6,228.00	6,003.08	224.92
Walt Disney Company	490	30.16	14,778.40	10,106.57	4,671.83
Waste Management Inc Delaware	350	32.56	11,396.00	10,697.00	699.00
Wells Fargo & Company New	180	24.12	4,341.60	4,983.16	(641.56)
Weyerhaeuser Company	494	15.55	7,681.70	8,581.28	(899.58)
Total Corporate Stocks			<u>820,190.38</u>	<u>758,511.39</u>	<u>61,678.99</u>
TOTAL SECURITIES			<u>\$ 1,552,276.97</u>	<u>\$ 1,499,275.87</u>	<u>\$ 53,001.10</u>