



See a Social Security Number? Say Something!  
Report Privacy Problems to <https://public.resource.org/privacy>  
Or call the IRS Identity Theft Hotline at 1-800-908-4490



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

**2011**

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 2011 or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

Name of foundation <p align="center"><b>THE MELROSE FOUNDATION</b></p> Number and street (or P O box number if mail is not delivered to street address) Room/suite <p>P.O. BOX 629</p> City or town, state, and ZIP code <p><b>KNOXVILLE, TN 37901-0629</b></p>	<b>A Employer identification number</b> <p align="center">62-6037984</p> <b>B Telephone number</b> <p align="center">(865) 525-5134</p>						
<b>C</b> If exemption application is pending, check here <input type="checkbox"/>							
<b>D 1.</b> Foreign organizations, check here <input type="checkbox"/> Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>							
<b>E</b> If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>							
<b>F</b> If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>							
<b>G</b> Check all that apply: <table style="width:100%; border: none;"> <tr> <td><input type="checkbox"/> Initial return</td> <td><input type="checkbox"/> Initial return of a former public charity</td> </tr> <tr> <td><input type="checkbox"/> Final return</td> <td><input type="checkbox"/> Amended return</td> </tr> <tr> <td><input type="checkbox"/> Address change</td> <td><input type="checkbox"/> Name change</td> </tr> </table>		<input type="checkbox"/> Initial return	<input type="checkbox"/> Initial return of a former public charity	<input type="checkbox"/> Final return	<input type="checkbox"/> Amended return	<input type="checkbox"/> Address change	<input type="checkbox"/> Name change
<input type="checkbox"/> Initial return	<input type="checkbox"/> Initial return of a former public charity						
<input type="checkbox"/> Final return	<input type="checkbox"/> Amended return						
<input type="checkbox"/> Address change	<input type="checkbox"/> Name change						
<b>H</b> Check type of organization: <table style="width:100%; border: none;"> <tr> <td><input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation</td> </tr> <tr> <td><input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust</td> </tr> <tr> <td><input type="checkbox"/> Other taxable private foundation</td> </tr> </table>		<input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation	<input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust	<input type="checkbox"/> Other taxable private foundation			
<input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation							
<input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust							
<input type="checkbox"/> Other taxable private foundation							
<b>I</b> Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ <b>436,182.</b>							
<b>J</b> Accounting method: <table style="width:100%; border: none;"> <tr> <td><input type="checkbox"/> Cash</td> <td><input checked="" type="checkbox"/> Accrual</td> </tr> <tr> <td colspan="2"><input type="checkbox"/> Other (specify) _____</td> </tr> </table> (Part I, column (d) must be on cash basis.)		<input type="checkbox"/> Cash	<input checked="" type="checkbox"/> Accrual	<input type="checkbox"/> Other (specify) _____			
<input type="checkbox"/> Cash	<input checked="" type="checkbox"/> Accrual						
<input type="checkbox"/> Other (specify) _____							

Part I Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))</small>	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>1</b> Contributions, gifts, grants, etc., received				
<b>2</b> Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
<b>3</b> Interest on savings and temporary cash investments				
<b>4</b> Dividends and interest from securities	17,692.	17,692.		STATEMENT 1
<b>5a</b> Gross rents				
<b>b</b> Net rental income or (loss)				
<b>6a</b> Net gain or (loss) from sale of assets not on line 10	<1,013.>			
<b>b</b> Gross sales price for all assets on line 6a	270,025.			
<b>7</b> Capital gain net income (from Part IV, line 2)		0.		
<b>8</b> Net short-term capital gain				
<b>9</b> Income modifications				
<b>10a</b> Gross sales less returns and allowances				
<b>b</b> Less Cost of goods sold				
<b>c</b> Gross profit or (loss)				
<b>11</b> Other income	<42,494.>	0.	0.	STATEMENT 2
<b>12</b> Total. Add lines 1 through 11	<25,815.>	17,692.	0.	
<b>13</b> Compensation of officers, directors, trustees, etc.	0.	0.	0.	0.
<b>14</b> Other employee salaries and wages				
<b>15</b> Pension plans, employee benefits				
<b>16a</b> Legal fees				
<b>b</b> Accounting fees	2,924.	2,924.	2,924.	0.
<b>c</b> Other professional fees	3,589.	3,589.	3,589.	0.
<b>17</b> Interest				
<b>18</b> Taxes	150.	150.	150.	0.
<b>19</b> Depreciation and depletion				
<b>20</b> Occupancy				
<b>21</b> Travel, conferences, and meetings				
<b>22</b> Printing and publications				
<b>23</b> Other expenses				
<b>24</b> Total operating and administrative expenses. Add lines 13 through 23	6,663.	6,663.	6,663.	0.
<b>25</b> Contributions, gifts, grants paid	23,150.			23,150.
<b>26</b> Total expenses and disbursements. Add lines 24 and 25	29,813.	6,663.	6,663.	23,150.
<b>27</b> Subtract line 26 from line 12:				
<b>a</b> Excess of revenue over expenses and disbursements	<55,628.>			
<b>b</b> Net investment income (if negative, enter -0-)		11,029.		
<b>c</b> Adjusted net income (if negative, enter -0-)			0.	

SCANNED NOV 26 2012

3

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	5,353.	16,438.	16,438.
	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			
	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 <b>STMT 6</b>	484,731.	418,168.	418,168.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
Less: accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other				
14 Land, buildings, and equipment basis ▶				
Less: accumulated depreciation ▶				
15 Other assets (describe ▶ <b>STATEMENT 7</b> )	1,726.	1,576.	1,576.	
<b>16 Total assets (to be completed by all filers)</b>	<b>491,810.</b>	<b>436,182.</b>	<b>436,182.</b>	
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 ▶ )			
<b>23 Total liabilities (add lines 17 through 22)</b>	<b>0.</b>	<b>0.</b>		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input checked="" type="checkbox"/> <b>X</b> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted	491,810.	436,182.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here <input type="checkbox"/>			
	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			
<b>30 Total net assets or fund balances</b>	<b>491,810.</b>	<b>436,182.</b>		
<b>31 Total liabilities and net assets/fund balances</b>	<b>491,810.</b>	<b>436,182.</b>		

**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	491,810.
2 Enter amount from Part I, line 27a	2	<55,628.>
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	436,182.
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	436,182.

**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 SHORT TERM (SEE ATTACHED SUMMARY)</b>	P	VARIOUS	VARIOUS
<b>b LONG TERM (SEE ATTACHED SUMMARY)</b>	P	VARIOUS	VARIOUS
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 3,453.		3,461.	<8.>
b 266,572.		267,577.	<1,005.>
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			<8.>
b			<1,005.>
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			
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	<1,013.>
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))
2010	41,350.	478,433.	.086428
2009	41,066.	438,911.	.093563
2008	37,700.	523,962.	.071952
2007	60,552.	658,808.	.091911
2006	58,884.	654,267.	.090000

2 Total of line 1, column (d)	2	.433854
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	.086771
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	455,411.
5 Multiply line 4 by line 3	5	39,516.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	110.
7 Add lines 5 and 6	7	39,626.
8 Enter qualifying distributions from Part XII, line 4	8	23,150.

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 <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	221.
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	221.
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	221.
6 Credits/Payments:			
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	1,686.	
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	1,686.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	1,465.	
11 Enter the amount of line 10 to be: Credited to 2012 estimated tax <input type="checkbox"/> 1,465. Refunded <input type="checkbox"/> 0.	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
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for 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
1c Did the foundation file Form 1120-POL for this year?		X
2 Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input type="checkbox"/> \$ 0. (2) On foundation managers. <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ 0.		
2 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
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? <i>If "Yes," attach a conformed copy of the changes</i>		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? <i>If "Yes," attach the statement required by General Instruction T</i>		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? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> 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? <i>If "No," attach explanation</i>	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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		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 make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>N/A</u>	13	X	
14 The books are in care of ► <u>JACKSON G. KRAMER</u> Telephone no. ► <u>(865) 525-5134</u> Located at ► <u>2500 PLAZA TOWER, KNOXVILLE, TN</u> ZIP+4 ► <u>37929</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   <u>N/A</u>			
16 At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►		16	Yes No X

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

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

		Yes	No
<b>1a</b> 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? <span style="float:right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>			
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <span style="float:right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>			
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <span style="float:right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>			
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <span style="float:right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>			
(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)? <span style="float:right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>			
(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.) <span style="float:right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>			
<b>b</b> If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here <span style="float:right;">N/A ► <input type="checkbox"/></span>	1b		
<b>c</b> 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 2011?	1c		X
<b>2</b> 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)):			
<b>a</b> At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? <span style="float:right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span> If "Yes," list the years ► _____, _____, _____			
<b>b</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.) <span style="float:right;">N/A</span>	2b		
<b>c</b> If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► _____, _____, _____			
<b>3a</b> Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <span style="float:right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>			
<b>b</b> If "Yes," did it have excess business holdings in 2011 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 2011) <span style="float:right;">N/A</span>	3b		
<b>4a</b> Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
<b>b</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 2011?	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)?  Yes  No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?  Yes  No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? N/A  
 Organizations relying on a current notice regarding disaster assistance check here ▶

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A  Yes  No  
 If "Yes," attach the statement required by Regulations section 53.4945-5(d).

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? 6b  Yes  No 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
EDWIN H. RAYSON P.O. BOX 629 KNOXVILLE, TN 37901	PRES & DIR 1.00	0.	0.	0.
WAYNE R. KRAMER P.O. BOX 629 KNOXVILLE, TN 37901	SEC, TRES. 1.00	0.	0.	0.
COWAN RODGERS, III P.O. BOX 629 KNOXVILLE, TN 37901	DIRECTOR 1.00	0.	0.	0.
JACKSON G. KRAMER P.O. BOX 629 KNOXVILLE, TN 37901	VP, ASSISTANT TRES. 1.00	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
NONE				

Total number of other employees paid over \$50,000 ▶ 0

**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
<b>1 INTERFAITH HEALTH CLINIC</b>	
	863.
<b>2 KNOXVILLE MUSEUM OF ART</b>	
	720.
<b>3 VOLUNTEER MINISTRY CENTER</b>	
	360.
<b>4 SECOND HARVEST FOOD BANK</b>	
	288.

**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
<b>1 NONE</b>	
	0.
<b>2</b>	
All other program-related investments. See instructions.	
<b>3</b>	
	0.

Total. Add lines 1 through 3 ▶ **0.**

**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>	451,450.
<b>b</b>	Average of monthly cash balances	<b>1b</b>	10,896.
<b>c</b>	Fair market value of all other assets	<b>1c</b>	
<b>d</b>	Total (add lines 1a, b, and c)	<b>1d</b>	462,346.
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	0.
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	0.
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	462,346.
<b>4</b>	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	<b>4</b>	6,935.
<b>5</b>	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	455,411.
<b>6</b>	Minimum investment return. Enter 5% of line 5	<b>6</b>	22,771.

**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>	22,771.
<b>2a</b>	Tax on investment income for 2011 from Part VI, line 5	<b>2a</b>	221.
<b>b</b>	Income tax for 2011. (This does not include the tax from Part VI.)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	221.
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	22,550.
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	0.
<b>5</b>	Add lines 3 and 4	<b>5</b>	22,550.
<b>6</b>	Deduction from distributable amount (see instructions)	<b>6</b>	0.
<b>7</b>	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	22,550.

**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>	23,150.
<b>b</b>	Program-related investments - total from Part IX-B	<b>1b</b>	0.
<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>	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	23,150.
<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	<b>5</b>	0.
<b>6</b>	Adjusted qualifying distributions. Subtract line 5 from line 4	<b>6</b>	23,150.

**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 2010	(c) 2010	(d) 2011
<b>1</b> Distributable amount for 2011 from Part XI, line 7				22,550.
<b>2</b> Undistributed income, if any, as of the end of 2011				
<b>a</b> Enter amount for 2010 only			0.	
<b>b</b> Total for prior years:		0.		
<b>3</b> Excess distributions carryover, if any, to 2011:				
<b>a</b> From 2006	26,803.			
<b>b</b> From 2007	28,408.			
<b>c</b> From 2008	12,673.			
<b>d</b> From 2009	19,188.			
<b>e</b> From 2010	17,508.			
<b>f</b> Total of lines 3a through e	104,580.			
<b>4</b> Qualifying distributions for 2011 from Part XII, line 4: ▶ \$	23,150.			
<b>a</b> Applied to 2010, but not more than line 2a			0.	
<b>b</b> Applied to undistributed income of prior years (Election required - see instructions)		0.		
<b>c</b> Treated as distributions out of corpus (Election required - see instructions)	0.			
<b>d</b> Applied to 2011 distributable amount				22,550.
<b>e</b> Remaining amount distributed out of corpus	600.			
<b>5</b> Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
<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	105,180.			
<b>b</b> Prior years' undistributed income. Subtract line 4b from line 2b		0.		
<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		0.		
<b>d</b> Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
<b>e</b> Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
<b>f</b> Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				0.
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
<b>8</b> Excess distributions carryover from 2006 not applied on line 5 or line 7	26,803.			
<b>9</b> Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	78,377.			
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2007	28,408.			
<b>b</b> Excess from 2008	12,673.			
<b>c</b> Excess from 2009	19,188.			
<b>d</b> Excess from 2010	17,508.			
<b>e</b> Excess from 2011	600.			

**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 2011, 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)

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.

	Tax year	Prior 3 years			(e) Total
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	
3 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 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:

**Part XV** Supplementary Information (continued)

<b>3 Grants and Contributions Paid During the Year or Approved for Future Payment</b>				
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)				
<b>a Paid during the year</b>				
BIG BROTHERS/BIG SISTERS OF TENNESSEE VALLEY, INC. 2918 MAGNOLIA AVENUE KNOXVILLE, TN 37901	NONE	LISTED IN PUB 78	EDUCATIONAL SUPPORT	250.
BOY SCOUTS OF AMERICA, GREAT SMOKY MOUNTAIN COUNCIL 6440 PAPERMILL ROAD KNOXVILLE, TN 379194891	NONE	LISTED IN PUB 78	EDUCATIONAL SUPPORT	375.
BOYS & GIRLS CLUB OF THE TENNESSEE VALLEY 407 CASWELL AVENUE KNOXVILLE, TN 37917	NONE	LISTED IN PUB 78	CHARITABLE SUPPORT	250.
CANCER SUPPORT COMMUNITY-EAST TENNESSEE 2230 SUTHERLAND AVENUE KNOXVILLE, TN 37919-2350	NONE	LISTED IN PUB 78	CHARITABLE SUPPORT	250.
CASA-A CHILD'S VOICE IN COURT 2200 SUTHERLAND AVENUE KNOXVILLE, TN 37919	NONE	LISTED IN PUB 78	CHARITABLE SUPPORT	300.
<b>Total</b>	<b>SEE CONTINUATION SHEET(S)</b>			<b>23,150.</b>
<b>b Approved for future payment</b>				
NONE				
<b>Total</b>				<b>0.</b>





**Part XV** Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
CHILD & FAMILY, INC. 114 DAMERON AVENUE KNOXVILLE, TN 37917	NONE	LISTED IN PUB 78	CHARITABLE SUPPORT	400.
COMMUNITY SCHOOL OF THE ARTS 620 STATE STREET KNOXVILLE, TN 37902	NONE	LISTED IN PUB 78	CHARITABLE SUPPORT	500.
EAST TENNESSEE DISCOVERY CENTER 516 N. BEAMAN STREET KNOXVILLE, TN 37914	NONE	LISTED IN PUB 78	CHARITABLE SUPPORT	250.
EMERALD YOUTH FOUNDATION 1600 N. CENTRAL STREET KNOXVILLE, TN 37914	NONE	LISTED IN PUB 78	CHARITABLE SUPPORT	500.
FISH OF KNOX COUNTY HOSPITALITY PANTRIES 2700 E. MAGNOLIA AVENUE KNOXVILLE, TN 37914	NONE	LISTED IN PUB 78	CHARITABLE SUPPORT	500.
FLORENCE CRITTENTON AGENCY 2815 TEXAS AVENUE KNOXVILLE, TN 379216090	NONE	LISTED IN PUB 78	CHARITABLE SUPPORT	500.
FRANK H. MCCLUNG MUSEUM 1027 CIRCLE PARK KNOXVILLE, TN 37901	NONE	LISTED IN PUB 78	EDUCATIONAL SUPPORT	1,000.
GIRL SCOUTS TANASI COUNCIL, INC. 1600 BRED A DRIVE KNOXVILLE, TN 37918	NONE	LISTED IN PUB 78	EDUCATIONAL SUPPORT	375.
HEARING & SPEECH FOUNDATION OF BLOUNT COUNTY 334 S. WASHINGTON STREET MARYVILLE, TN 37804	NONE	LISTED IN PUB 78	CHARITABLE SUPPORT	400.
HELEN ROSS MCNABB CENTER 1520 CHEROKEE TRAIL KNOXVILLE, TN 37901	NONE	LISTED IN PUB 78	CHARITABLE SUPPORT	500.
<b>Total from continuation sheets</b>				<b>21,725.</b>

**Part XV** Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
HOLSTON UNITED METHODIST HOME FOR CHILDREN 900 E. HILL AVENUE KNOXVILLE, TN 37915	NONE	LISTED IN PUB 78	CHARITABLE SUPPORT	500.
IJAMS NATURE CENTER 2915 ISLAND HOME AVENUE KNOXVILLE, TN 37920	NONE	LISTED IN PUB 78	EDUCATIONAL SUPPORT	500.
INTERFAITH HEALTH CLINIC 315 GILL AVENUE KNOXVILLE, TN 37902	NONE	LISTED IN PUB 78	MEDICAL SUPPORT	3,000.
KNOX AREA RESCUE MINISTRIES 418 N. BROADWAY KNOXVILLE, TN 37917	NONE	LISTED IN PUB 78	CHARITABLE SUPPORT	250.
KNOXVILLE COLLEGE 901 COLLEGE STREET KNOXVILLE, TN 37921	NONE	LISTED IN PUB 78	EDUCATIONAL SUPPORT	250.
KNOXVILLE LEGAL AID SOCIETY, INC. 502 S. GAY STREET KNOXVILLE, TN 37902	NONE	LISTED IN PUB 78	CHARITABLE SUPPORT	750.
KNOXVILLE MUSEUM OF ART 1010 LAUREL AVENUE KNOXVILLE, TN 37916	NONE	LISTED IN PUB 78	EDUCATIONAL SUPPORT	2,500.
KNOXVILLE SYMPHONY SOCIETY 708 GAY STREET KNOXVILLE, TN 379021685	NONE	LISTED IN PUB 78	EDUCATIONAL SUPPORT	300.
KNOXVILLE ZOOLOGICAL PARK P.O. BOX 6040 KNOXVILLE, TN 37914	NONE	LISTED IN PUB 78	EDUCATIONAL SUPPORT	300.
MONTGOMERY VILLAGE CHILD CARE CENTER 4600 JOE LEWIS ROAD KNOXVILLE, TN 37920	NONE	LISTED IN PUB 78	CHARITABLE SUPPORT	500.
<b>Total from continuation sheets</b>				

**Part XV** Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
RONALD MCDONALD HOUSE 1705 CLINCH AVENUE KNOXVILLE, TN 37916	NONE	LISTED IN PUB 78	CHARITABLE SUPPORT	350.
SALVATION ARMY P.O. BOX 12589 KNOXVILLE, TN 379122589	NONE	LISTED IN PUB 78	CHARITABLE SUPPORT	500.
SECOND HARVEST FOOD BANK 922 DELAWARE AVENUE KNOXVILLE, TN 37921	NONE	LISTED IN PUB 78	CHARITABLE SUPPORT	1,000.
WEST END ACADEMY 5311 MCKAMEY ROAD KNOXVILLE, TN 37921	NONE	LISTED IN PUB 78	CHARITABLE SUPPORT	250.
SERTOMA CENTER, INC. 1400 E. 5TH AVENUE KNOXVILLE, TN 37917	NONE	LISTED IN PUB 78	CHARITABLE SUPPORT	500.
SHANGRI-LA THERAPEUTIC ACADEMY OF RIDING, INC. 11800 HIGHWAY 11 EAST LENOIR CITY, TN 37772	NONE	LISTED IN PUB 78	CHARITABLE SUPPORT	500.
TENNESSEE LION'S CHARITIES, INC. 505 FESSLERS LANE NASHVILLE, TN 37210-2814	NONE	LISTED IN PUB 78	CHARITABLE SUPPORT	350.
TENNESSEE WESLEYAN COLLEGE P.O. BOX 40 ATHENS, TN 37303	NONE	LISTED IN PUB 78	EDUCATIONAL SUPPORT	250.
THE JOY OF MUSIC YOUTH MUSIC SCHOOL 1209 EUCLID AVENUE KNOXVILLE, TN 37921	NONE	LISTED IN PUB 78	CHARITABLE SUPPORT	500.
UNIVERSITY OF TENNESSEE MEDICAL CENTER - PASTORAL CARE DEPARTMENT 1924 ALCOA HIGHWAY KNOXVILLE, TN 37901	NONE	LISTED IN PUB 78	MEDICAL SUPPORT	1,000.
<b>Total from continuation sheets</b>				

**Part XV** Supplementary Information

**3 Grants and Contributions Paid During the Year (Continuation)**

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
VOLUNTEER MINISTRY CENTER 306 W. JACKSON AVENUE KNOXVILLE, TN 37901	NONE	LISTED IN PUB 78	CHARITABLE SUPPORT	1,250.
WESLEY HOUSE 923 DAMERON AVENUE KNOXVILLE, TN 37921	NONE	LISTED IN PUB 78	CHARITABLE SUPPORT	750.
WEST HIGH SCHOOL FOUNDATION (FOR TECHNOLOGY) 3326 SUTHERLAND AVE. KNOXVILLE, TN 37919	NONE	LISTED IN PUB 78	CHARITABLE SUPPORT	250.
YOUNG MEN'S CHRISTIAN ASSOCIATION P.O. BOX 2776 KNOXVILLE, TN 379012776	NONE	LISTED IN PUB 78	CHARITABLE SUPPORT	250.
YOUNG WOMEN'S CHRISTIAN ASSOCIATION 420 W. CLINCH AVENUE KNOXVILLE, TN 37902	NONE	LISTED IN PUB 78	CHARITABLE SUPPORT	250.
<b>Total from continuation sheets</b>				

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES		STATEMENT	1
SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT	
VARIOUS SECURITIES	17,692.	0.	17,692.	
TOTAL TO FM 990-PF, PART I, LN 4	17,692.	0.	17,692.	

FORM 990-PF	OTHER INCOME			STATEMENT	2
DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME		
UNREALIZED APPRECIATION OF INVESTMENTS	<42,494.>	0.	0.		
TOTAL TO FORM 990-PF, PART I, LINE 11	<42,494.>	0.	0.		

FORM 990-PF	ACCOUNTING FEES				STATEMENT	3
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES		
ACCOUNTING FEES	2,924.	2,924.	2,924.	0.		
TO FORM 990-PF, PG 1, LN 16B	2,924.	2,924.	2,924.	0.		

FORM 990-PF	OTHER PROFESSIONAL FEES				STATEMENT	4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES		
INVESTMENT MANAGER FEES	3,589.	3,589.	3,589.	0.		
TO FORM 990-PF, PG 1, LN 16C	3,589.	3,589.	3,589.	0.		

FORM 990-PF	TAXES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FEDERAL EXCISE TAXES	150.	150.	150.	0.	
TO FORM 990-PF, PG 1, LN 18	150.	150.	150.	0.	

FORM 990-PF	CORPORATE STOCK		STATEMENT	6
DESCRIPTION			BOOK VALUE	FAIR MARKET VALUE
SEE SCHEDULE			418,168.	418,168.
TOTAL TO FORM 990-PF, PART II, LINE 10B			418,168.	418,168.

FORM 990-PF	OTHER ASSETS			STATEMENT	7
DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE		
REFUNDABLE FEDERAL EXCISE TAXES	1,726.	1,576.	1,576.		
TO FORM 990-PF, PART II, LINE 15	1,726.	1,576.	1,576.		

FORM 990-PF

GRANT APPLICATION SUBMISSION INFORMATION  
PART XV, LINES 2A THROUGH 2D

STATEMENT 8

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

JACKSON G. KRAMER, C/O THE MELROSE FOUNDATION  
P.O. BOX 629  
KNOXVILLE, TN 379010629

TELEPHONE NUMBER

(865) 525-5134

FORM AND CONTENT OF APPLICATIONS

NAME AND ADDRESS, TYPE OF ORGANIZATION, TAX EXEMPT DETERMINATION LETTER UNDER IRC SEC. 501(C)(3), BROCHURE OR OTHER PRINTED MATERIALS REGARDING ORGANIZATION'S ACTIVITIES AND OPERATIONS.

ANY SUBMISSION DEADLINES

NONE

RESTRICTIONS AND LIMITATIONS ON AWARDS

NONE, OTHER THAN THE ORGANIZATION MUST BE A 501(C)(3) ORGANIZATION

• 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).

Enter filer's identifying number, see instructions

Type or print  File by the due date for filing your return See instructions	Name of exempt organization or other filer, see instructions <b>THE MELROSE FOUNDATION</b>	Employer identification number (EIN) or <input checked="" type="checkbox"/> <b>62-6037984</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>P.O. BOX 629</b>	Social security number (SSN) <input type="checkbox"/>
	City, town or post office, state, and ZIP code For a foreign address, see instructions. <b>KNOXVILLE, TN 37901-0629</b>	

Enter the Return code for the return that this application is for (file a separate application for each return) 04

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	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.**

**JACKSON G. KRAMER**

• The books are in the care of  **2500 PLAZA TOWER - KNOXVILLE, TN 37929**  
Telephone No.  **(865) 525-5134** FAX No.

• 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, 2012**
- 5 For calendar year **2011**, or other tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_.
- 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  
**MORE TIME IS NEEDED TO COMPILE THE NECESSARY INFORMATION FOR A COMPLETE AND ACCURATE RETURN.**

<b>8a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$	<b>80.</b>
<b>b</b> If this application is for Form 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	\$	<b>1,686.</b>
<b>c 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	\$	<b>0.</b>

**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  **CPA** Date



UBS Financial Services Inc  
 800 South Gay Street East  
 Plaza Tower, Suite A  
 Knoxville TN 37929-9729

CPZZ001644761 1211 X24 KA 0

# 2011 Year End Summary

**Account name:** THE MELROSE FOUNDATION

EDWIN H RAYSON PRESIDENT

**Account type:** PACE Multi

**Account number:** KA 09331 TT

**Your Financial Advisor:**

SILER/SILER/JOHNSTON

Phone 865-522-5183/800-827-2723

THE MELROSE FOUNDATION  
 EDWIN H RAYSON PRESIDENT  
 2500 PLAZA TOWER  
 PO BOX 629  
 KNOXVILLE TN 37901-0629

## Summary of gains and losses

	Amount (\$)
Short term	-7 94
Long term	-1,004 65
<b>Total</b>	<b>\$-1,012.59</b>





Account name: THE MELROSE FOUNDATION  
 Account number: KA 09331 TT

## Realized gains and losses

Estimated 2011 gains and losses for transactions with trade dates through 12/30/11 have been incorporated into this statement. Please note that gain or loss recognized on the sale or redemption of certain Structured Products, like Contingent Debt Securities, may be ordinary, and not capital, gain or loss. Please check with your tax advisor. To calculate gains and losses, we liquidate the oldest security lot first. This is known as the first-in, first-out or FIFO accounting method. We use this method unless you specified which tax lot to close when you placed your order. This is known as a versus purchases or VSP order.

See *Important information about your statement* on the last page of this statement for more information. We may not adjust gains and losses for all capital changes. Cost basis for coupon tax-exempt municipal securities, include securities subject to AMT, has been adjusted for mandatory amortization of bond premium. Estimates in the unclassified section can not be classified as short term or long term because information is missing, or the product is one in which the gain/loss calculation is not provided.

## Short-term capital gains and losses

Security description	Method	Quantity or face value	Purchase date	Sale date	Sale amount (\$)	Cost basis (\$)	Wash sale cost basis adjustment(\$)	Loss (\$)	Gain (\$)
LORD ABBETT AFFILIATED FUND CL A	FIFO	16 034	Mar 31, 11	Dec 22, 11	169 48	195 78		-26 30	
	FIFO	19 698	Jun 30, 11	Dec 22, 11	208 21	233 22		-25 01	
	FIFO	27 947	Sep 30, 11	Dec 22, 11	295 40	261 30			34 10
MANAGERS BOND FUND	FIFO	6 267	Dec 29, 10	Dec 22, 11	162 44	158 43			4 01
	FIFO	4 030	Jan 27, 11	Dec 22, 11	104 46	103 21			1 25
	FIFO	4 027	Feb 24, 11	Dec 22, 11	104 38	103 65			0 73
	FIFO	3 658	Mar 29, 11	Dec 22, 11	94 82	94 63			0 19
	FIFO	3 619	Apr 26, 11	Dec 22, 11	93 80	95 00		-1 20	
	FIFO	3 512	May 25, 11	Dec 22, 11	91 03	92 96		-1 93	
	FIFO	3 360	Jun 27, 11	Dec 22, 11	87 09	88 54		-1 45	
	FIFO	3 351	Jul 26, 11	Dec 22, 11	86 86	88 84		-1 98	
	FIFO	3 374	Aug 26, 11	Dec 22, 11	87 45	89 14		-1 69	
	FIFO	3 296	Sep 27, 11	Dec 22, 11	85 43	85 60		-0 17	
	FIFO	3 446	Oct 27, 11	Dec 22, 11	89 32	89 77		-0 45	
	FIFO	3 597	Nov 28, 11	Dec 22, 11	93 23	92 51			0 72
ROYCE PREMIER FUND	FIFO	83 582	Dec 08, 11	Dec 22, 11	1,547 94	1,537 07			10 87
	FIFO	2 806	Dec 08, 11	Dec 22, 11	51 97	51 60			0 37
<b>Total</b>					<b>\$3,453.31</b>	<b>\$3,461.25</b>		<b>-\$60.18</b>	<b>\$52.24</b>
<b>Net short-term capital gains and losses</b>								<b>-\$7.94</b>	

continued next page



Business Services Account

Account name: THE MELOSE FOUNDATION  
Account type: PACE Multi  
Account number: KA 09331 TT

Your Financial Advisor:  
SILER/SILER/OHINSTGN  
865-522-5183/800-827-2723

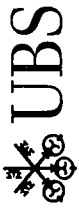
Realized gains and losses (continued)

Long-term capital gains and losses

Security description	Method	Quantity or face value	Purchase date	Sale date	Sale amount (\$)	Cost basis (\$)	Wash sale cost basis adjustment (\$)	Loss (\$)	Gain (\$)
CALVERT SHORT DURATION INCOME FUND CLASS A	FIFO	26,934	Mar 25, 08	Jan 24, 11	442,79	434,71			8,08
	FIFO	56,649	Mar 25, 08	Apr 21, 11	936,40	914,31			22,09
	FIFO	57,152	Mar 25, 08	Jul 22, 11	944,15	922,43			21,72
	FIFO	50,672	Mar 25, 08	Oct 24, 11	814,30	817,85		-3,55	
FRANKLIN/TEMPLETON GLOBAL BOND FUND CLASS A	FIFO	1,257,882	Mar 25, 08	Dec 22, 11	15,673,21	15,094,58			578,63
HARTFORD CAPITAL APPRECIATION FUND CL A	FIFO	1,505,734	Mar 25, 08	Dec 22, 11	43,606,06	54,959,29		-11,353,23	
	FIFO	37,760	Dec 22, 08	Dec 22, 11	1,093,53	782,76			310,77
	FIFO	977,114	Feb 23, 09	Dec 22, 11	28,297,22	17,773,70			10,523,52
JP MORGAN MULTI-CAP MARKET NEUTRAL FUND CLASS A	FIFO	1,608,281	Mar 25, 08	Dec 22, 11	15,375,17	16,597,46		-1,222,29	
	FIFO	15,524	Apr 01, 08	Dec 22, 11	148,41	158,97		-10,56	
	FIFO	2,743	Jul 01, 08	Dec 22, 11	26,22	28,06		-1,84	
LOOMIS SAYLES STRATEGIC INCOME FUND CLASS A	FIFO	1,027,682	Mar 25, 08	Dec 22, 11	14,695,85	14,880,84		-184,99	
LORD ABBETT AFFILIATED FUND CL A	FIFO	4,470,367	Mar 25, 08	Dec 22, 11	47,251,78	57,757,14		-10,505,36	
	FIFO	27,185	May 16, 08	Dec 22, 11	287,35	364,01		-76,66	
	FIFO	31,046	Aug 15, 08	Dec 22, 11	328,16	365,41		-37,25	
	FIFO	50,834	Nov 21, 08	Dec 22, 11	537,32	367,02			170,30
	FIFO	22,845	Dec 23, 08	Dec 22, 11	241,47	184,82			56,65
	FIFO	22,664	Feb 13, 09	Dec 22, 11	239,56	165,22			74,34
	FIFO	2,670,428	Feb 23, 09	Dec 22, 11	28,226,42	17,224,26			11,002,16
	FIFO	5,561	May 15, 09	Dec 22, 11	58,78	45,49			13,29
	FIFO	13,718	Dec 30, 09	Dec 22, 11	145,00	141,16			3,84
	FIFO	18,609	Mar 31, 10	Dec 22, 11	196,70	202,47		-5,77	
	FIFO	15,238	Jun 30, 10	Dec 22, 11	161,07	141,71			19,36

continued next page





Account name: THE MELROSE FOUNDATION  
 Account number: KA 09331 TT

Realized gains and losses (continued)

Long-term capital gains and losses (continued)

Security description	Method	Quantity or face value	Purchase date	Sale date	Sale amount (\$)	Cost basis (\$)	Wash sale cost basis adjustment (\$)	Loss (\$)	Gain (\$)
	FIFO	18,704	Sep 30, 10	Dec 22, 11	197,70	191,53			6,17
	FIFO	20,452	Dec 17, 10	Dec 22, 11	216,18	231,52		-15,34	
LORD ABBETT DEVELOPING GROWTH FUND CL A	FIFO	176,220	Mar 25, 08	Dec 22, 11	3,473,29	2,867,10			606,19
MANAGERS BOND FUND	FIFO	758,195	Mar 25, 08	Dec 22, 11	19,652,41	18,947,29			705,12
	FIFO	5,037	Mar 26, 08	Dec 22, 11	130,56	125,37			5,19
	FIFO	5,053	Apr 25, 08	Dec 22, 11	130,97	125,92			5,05
	FIFO	5,519	May 27, 08	Dec 22, 11	143,05	137,98			5,07
	FIFO	5,654	Jun 25, 08	Dec 22, 11	146,55	138,64			7,91
	FIFO	5,941	Jul 28, 08	Dec 22, 11	153,99	142,23			11,76
	FIFO	5,986	Aug 26, 08	Dec 22, 11	155,16	142,95			12,21
	FIFO	6,646	Sep 25, 08	Dec 22, 11	172,26	146,61			25,65
	FIFO	6,235	Oct 28, 08	Dec 22, 11	161,61	117,97			43,64
	FIFO	9,041	Nov 24, 08	Dec 22, 11	234,34	168,98			65,36
	FIFO	10,139	Dec 26, 08	Dec 22, 11	262,80	198,11			64,69
	FIFO	7,338	Dec 26, 08	Dec 22, 11	190,20	143,38			46,82
	FIFO	7,258	Dec 26, 08	Dec 22, 11	188,13	141,83			46,30
	FIFO	6,151	Jan 27, 09	Dec 22, 11	159,43	122,90			36,53
	FIFO	5,035	Feb 24, 09	Dec 22, 11	130,51	98,94			31,57
	FIFO	5,188	Mar 26, 09	Dec 22, 11	134,47	99,45			35,02
	FIFO	5,294	Apr 27, 09	Dec 22, 11	137,22	104,77			32,45
	FIFO	5,316	May 26, 09	Dec 22, 11	137,79	110,15			27,64
	FIFO	5,043	Jun 25, 09	Dec 22, 11	130,71	110,74			19,97
	FIFO	4,968	Jul 28, 09	Dec 22, 11	128,77	110,69			18,08
	FIFO	4,783	Aug 26, 09	Dec 22, 11	123,98	111,25			12,73
	FIFO	4,645	Sep 25, 09	Dec 22, 11	120,40	111,81			8,59
	FIFO	4,249	Oct 28, 09	Dec 22, 11	110,13	102,57			7,56
	FIFO	3,812	Nov 25, 09	Dec 22, 11	98,81	92,90			5,91
	FIFO	2,936	Dec 29, 09	Dec 22, 11	76,10	71,05			5,05
	FIFO	3,626	Jan 27, 10	Dec 22, 11	93,99	89,56			4,43

continued next page



Business Services Account

Account name:  
Account type:  
Account number:

THE MELROSE FOUNDATION  
PACE Multi  
KA 09331 TT

Your Financial Advisor.  
SILER/SILER/JOHNSTON  
865-522-5183/800-827-2723

Realized gains and losses (continued)

Long-term capital gains and losses (continued)

Security description	Method	Quantity or face value	Purchase date	Sale date	Sale amount (\$)	Cost basis (\$)	Wash sale cost basis adjustment (\$)	Loss (\$)	Gain (\$)
	FIFO	3 175	Feb 24, 10	Dec 22, 11	82 30	78 14			4 16
	FIFO	3 350	Mar 29, 10	Dec 22, 11	86 83	83 45			3 38
	FIFO	3 311	Apr 28, 10	Dec 22, 11	85 82	83 77			2 05
	FIFO	3 355	May 26, 10	Dec 22, 11	86 96	84 08			2 88
	FIFO	3 097	Jun 28, 10	Dec 22, 11	80 27	77 55			2 72
	FIFO	3 430	Jul 28, 10	Dec 22, 11	88 91	86 95			1 96
	FIFO	3 191	Aug 27, 10	Dec 22, 11	82 71	82 68			0 03
	FIFO	3 183	Sep 28, 10	Dec 22, 11	82 50	82 98		-0 48	
	FIFO	3 370	Oct 27, 10	Dec 22, 11	87 35	87 89		-0 54	
	FIFO	3 427	Nov 26, 10	Dec 22, 11	88 83	88 21			0 62

PACE MONEY MARKET INVESTMENTS FUND CLASS P

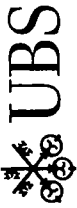
	FIFO	448 670	Feb 23, 09	Jan 24, 11	448 67	448 67			
	FIFO	1 570	Mar 16, 09	Jan 24, 11	1 57	1 57			
	FIFO	0 890	Apr 15, 09	Jan 24, 11	0 89	0 89			
	FIFO	0 040	May 14, 09	Jan 24, 11	0 04	0 04			
	FIFO	0 050	Jun 15, 09	Jan 24, 11	0 05	0 05			
	FIFO	0 040	Jul 15, 09	Jan 24, 11	0 04	0 04			
	FIFO	0 020	Aug 17, 09	Jan 24, 11	0 02	0 02			
	FIFO	0 010	Sep 15, 09	Jan 24, 11	0 00	0 00			
	FIFO	0 010	Oct 15, 09	Jan 24, 11	0 00	0 00			
	FIFO	0 120	Dec 17, 09	Jan 24, 11	0 12	0 12			
	FIFO	753 456	Mar 25, 08	Dec 22, 11	13,954 00	13,019 72			934 28
	FIFO	19 679	Dec 09, 08	Dec 22, 11	364 46	225 33			139 13
	FIFO	0 307	Dec 09, 08	Dec 22, 11	5 69	3 52			2 17
	FIFO	177 279	Feb 23, 09	Dec 22, 11	3,283.21	1,820.66			1,462 55
	FIFO	15 503	Dec 09, 10	Dec 22, 11	287 12	306 50		-19 38	

ROYCE PREMIER FUND

	FIFO	15 503	Dec 09, 10	Dec 22, 11	287 12	306 50		-19 38	
--	------	--------	------------	------------	--------	--------	--	--------	--

continued next page





Account name: THE MELROSE FOUNDATION  
 Account number: KA 09331 TT

Realized gains and losses (continued)

Long-term capital gains and losses (continued)

Security description	Method	Quantity or face value	Purchase date	Sale date	Sale amount (\$)	Cost basis (\$)	Wash sale cost basis adjustment(\$)	Loss (\$)	Gain (\$)
THORNBURG INTERNATIONAL VALUE FUND CLASS A	FIFO	858 037	Mar 25, 08	Dec 22, 11	20,455.60	25,286 35		-4,830 75	\$27,263.34
<b>Total</b>					<b>\$266,572.39</b>	<b>\$267,577.04</b>		<b>-\$28,267.99</b>	<b>\$27,263.34</b>
<b>Net long-term capital gains or losses</b>									
<b>Net capital gains/losses:</b>									
								<b>-\$1,004.65</b>	
								<b>-\$1,012.59</b>	

L