Form **990-PF** Department of the Treasury Internal Revenue Service

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

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

OMB No 1545-0052

2011

For calendar year 2011 or tax year beginning OCT 1, 2011 , and ending SEP 30, 2012

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): 605 CHESTNUT STREET, SUITE 1700 | Room/suite

B Telephone number: (423) 756-3000

City or town, state, and ZIP code: CHATTANOOGA, TN 37450

C If exemption application is pending, check here ▶ [ ]

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

D 1. Foreign organizations, check here ▶ [ ]

2. Foreign organizations meeting the 85% test, check here and attach computation ▶ [ ]

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

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

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶$ 1,858,476.

J Accounting method: [X] Cash [ ] Accrual [ ] Other (specify) ________ (Part I, column (d) must be on cash basis.)

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

Part I **Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)

	Line	Description	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc., received			N/A	
	2	Check ▶ [X] if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities	39,974.	39,974.		STATEMENT 1
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	25,000.			
	b	Gross sales price for all assets on line 6a 173,506.				
	7	Capital gain net income (from Part IV, line 2)		25,000.		
	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				
	12	**Total.** Add lines 1 through 11	64,974.	64,974.		
Operating and Administrative Expenses	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 2	10,613.	0.		10,613.
	b	Accounting fees				
	c	Other professional fees STMT 3	16,123.	16,123.		0.
	17	Interest				
	18	Taxes STMT 4	2,324.	149.		0.
	19	Depreciation and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings	1,081.	0.		1,081.
	22	Printing and publications				
	23	Other expenses STMT 5	33.	0.		33.
	24	**Total operating and administrative expenses.** Add lines 13 through 23	30,174.	16,272.		11,727.
	25	Contributions, gifts, grants paid	75,000.			75,000.
	26	**Total expenses and disbursements.** Add lines 24 and 25	105,174.	16,272.		86,727.
	27	Subtract line 26 from line 12:				
	a	Excess of revenue over expenses and disbursements	-40,200.			
	b	**Net investment income** (if negative, enter -0-)		48,702.		
	c	**Adjusted net income** (if negative, enter -0-)			N/A	

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123501 12-02-11 LHA **For Paperwork Reduction Act Notice, see instructions.** Form **990-PF** (2011)

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

		Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1 Cash - non-interest-bearing	248.	374.	374.
	2 Savings and temporary cash investments	30,511.	52,054.	52,054.
	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 6	758,511.	692,453.	941,010.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 7	742,054.	746,243.	865,038.
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers)	1,531,324.	1,491,124.	1,858,476.
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 ▶ [X] and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted	1,531,324.	1,491,124.	
	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**	1,531,324.	1,491,124.	
	31 **Total liabilities and net assets/fund balances**	1,531,324.	1,491,124.	

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	1,531,324.
2	Enter amount from Part I, line 27a	2	-40,200.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	1,491,124.
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	1,491,124.

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	12,886.		15,773.	-2,887.
b	156,120.		132,733.	23,387.
c	4,500.			4,500.
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				-2,887.
b				23,387.
c				4,500.
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 25,000.

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	84,720.	1,755,309.	.048265
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

2	Total of line 1, column (d)	2	.258389
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	.051678
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	1,723,683.
5	Multiply line 4 by line 3	5	89,076.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	487.
7	Add lines 5 and 6	7	89,563.
8	Enter qualifying distributions from Part XII, line 4	8	86,727.

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	974.
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	974.
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	974.
6	Credits/Payments:		
a	2011 estimated tax payments and 2010 overpayment credited to 2011 — 6a: 1,024.		
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	1,024.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	1.
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	49.
11	Enter the amount of line 10 to be: **Credited to 2012 estimated tax** ▶ 49. **Refunded** ▶	11	0.

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
	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.			
c	Did the foundation file **Form 1120-POL** for this year?	1c		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.*	2		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*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		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?	6	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.*	7	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*	8b	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)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities *(continued)*

		Line	Yes	No
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?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ GLENN C. STOPHEL Telephone no. ▶ (423)756-3000
Located at ▶ 605 CHESNUT STREET, SUITE 1700, CHATTANOOGA, TN ZIP+4 ▶ 37450-0019

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

		Line	Yes	No
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?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶			

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.

			Line	Yes	No
1a	During the year did the foundation (either directly or indirectly):				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
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 2011?		1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):				
a	At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011?	☐ Yes ☒ No			
	If "Yes," list the years ▶ ______, ______, ______, ______				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.)	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 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.)*	N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?		4b		X

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

			Yes	No
5a During the year did the foundation pay or incur any amount to:				
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes ☒ No			
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	☐ Yes ☒ No			
(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes ☒ No			
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?	☐ Yes ☒ No			
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes ☒ No			
b If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?	N/A	5b		
Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	N/A ☐ Yes ☐ No			
If "Yes," attach the statement required by Regulations section 53 4945-5(d).				
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No			
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		6b		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
SEE STATEMENT 8		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
1 N/A	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3 ▶	0.

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	1,709,240.
b	Average of monthly cash balances	1b	40,692.
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	1,749,932.
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	1,749,932.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	26,249.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,723,683.
6	**Minimum investment return.** Enter 5% of line 5	6	86,184.

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	86,184.
2a	Tax on investment income for 2011 from Part VI, line 5 2a 974.		
b	Income tax for 2011. (This does not include the tax from Part VI.) 2b		
c	Add lines 2a and 2b	2c	974.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	85,210.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	85,210.
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	85,210.

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	86,727.
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	86,727.
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	86,727.

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

Form **990-PF** (2011)

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				85,210.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			0.	
b Total for prior years: ____ , ____ , ____		0.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007 2,843.				
c From 2008 18,215.				
d From 2009 6,775.				
e From 2010				
f Total of lines 3a through e	27,833.			
4 Qualifying distributions for 2011 from Part XII, line 4: ▶ $ 86,727.				
a Applied to 2010, 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 2011 distributable amount				85,210.
e Remaining amount distributed out of corpus	1,517.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	29,350.			
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 2010. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				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 2006 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	29,350.			
10 Analysis of line 9:				
a Excess from 2007 2,843.				
b Excess from 2008 18,215.				
c Excess from 2009 6,775.				
d Excess from 2010				
e Excess from 2011 1,517.				

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)

	Tax year	Prior 3 years			
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon: a "Assets" alternative test - enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 **Information Regarding Foundation Managers:**

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

CLARA T. WARD

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 ▶ [X] 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:

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)

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

Recipient: Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
ANKERBERG THEOLOGICAL RESEARCH INSTITUTE P.O. BOX 8977 CHATTANOOGA, TN 374140977	NONE	501(C)(3) ORGANIZATION	OPERATING FUNDS	7,500.
BETHEL BIBLE VILLAGE 3001 HAMILL ROAD HIXSON, TN 37343	NONE	SCHOOL	OPERATING FUNDS	12,500.
BRYAN COLLEGE 411 BRYAN DRIVE DAYTON, TN 373216269	NONE	COLLEGE	OPERATING FUNDS	12,500.
CARSON-NEWMAN COLLEGE RUSSELL AVENUE JEFFERSON CITY, TN 37760	NONE	COLLEGE	OPERATING FUNDS	12,500.
HAGGAI INSTITUTE FOR ADVANCED LEADERSHIP TRAINING P.O. BOX 13 ATLANTA, GA 303709901	NONE	PUBLIC CHARITY	OPERATING FUNDS	25,000.
Total SEE CONTINUATION SHEET(S)			▶ 3a	75,000.
b Approved for future payment				
NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	39,974.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income			14		
8 Gain or (loss) from sales of assets other than inventory			18	25,000.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.		64,974.	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 64,974.

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

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).
	N/A

Part XVII **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations**

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

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

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule.

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

Sign Here

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

Signature of officer or trustee: [signature] Date: 2/7/2013 Title: Sec-Treas.

May the IRS discuss this return with the preparer shown below (see instr)? ☒ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
REBECCA C. SHOEMAKE	Rebecca C Shoemake	2/7/13		P01600585

Firm's name ▶ CHAMBLISS, BAHNER & STOPHEL, P.C. Firm's EIN ▶ 62-1674553

Firm's address ▶ 605 CHESTNUT STREET, SUITE 1700
CHATTANOOGA, TN 37450-0019 Phone no. (423)756-3000

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
UNIVERSITY OF TENNESSEE AT CHATTANOOGA 615 MCCALLIE AVENUE CHATTANOOGA, TN 37403	NONE	COLLEGE	OPERATING FUNDS	5,000.
Total from continuation sheets				5,000.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
FIRST TENNESSEE BANK - NOMINEE - DIVIDENDS	20,308.	1,919.	18,389.
MORGAN STANLEY SMITH BARNEY - DIVIDENDS	19,417.	0.	19,417.
SENTINEL COMMON STOCK FUNDS	4,749.	2,581.	2,168.
TOTAL TO FM 990-PF, PART I, LN 4	44,474.	4,500.	39,974.

FORM 990-PF LEGAL FEES STATEMENT 2

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
CHAMBLISS, BAHNER & STOPHEL, P.C.	10,613.	0.		10,613.
TO FM 990-PF, PG 1, LN 16A	10,613.	0.		10,613.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MORGAN STANLEY SMITH BARNEY	11,336.	11,336.		0.
FIRST TENNESSEE BANK	4,787.	4,787.		0.
TO FORM 990-PF, PG 1, LN 16C	16,123.	16,123.		0.

FORM 990-PF TAXES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL EXCISE TAX	2,175.	0.		0.
FOREIGN TAX WITHHELD ON DIVIDENDS	149.	149.		0.
TO FORM 990-PF, PG 1, LN 18	2,324.	149.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
STATE ANNUAL REPORT	22.	0.		22.
ADR FEE	4.	0.		4.
MISCELLANEOUS	7.	0.		7.
TO FORM 990-PF, PG 1, LN 23	33.	0.		33.

FORM 990-PF CORPORATE STOCK STATEMENT 6

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCK - SCHEDULE ATTACHED	692,453.	941,010.
TOTAL TO FORM 990-PF, PART II, LINE 10B	692,453.	941,010.

FORM 990-PF OTHER INVESTMENTS STATEMENT 7

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
MUTUAL FUNDS - SCHEDULE ATTACHED	COST	752,024.	870,819.
UNSETTLED SALES/PURCHASES	COST	-5,781.	-5,781.
TOTAL TO FORM 990-PF, PART II, LINE 13		746,243.	865,038.

CLIFTON AND CLARA WARD FOUNDATION

PORTFOLIO VALUE REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2012

Security	Shares or Face	Price Per Share	Fair Market Value	Cost Basis	Unrealized Gain or (Loss)
Mutual Funds:					
Consumer Staples Select SPDR	150	35.825	$ 5,373 75	$ 3,233 61	$ 2,140.14
Financial Select Sector SPDR	465	15 5900	7,249 35	5,958 55	1,290 80
Health Care Select Sector SPDR	120	40.120	4,814 40	3,191 69	1,622.71
Ishares MSCI EAFE Index Fund	720	53 000	38,160 00	31,090 24	7,069 76
Pimco Low Duration Fund	5,190.863	10 660	55,334 60	53,947 83	1,386.77
Pimco Total Return Fund	10,250.065	11 580	118,695 75	113,650 06	5,045.69
Powershares QQQ Trust	200	68 570	13,714 00	11,504.00	2,210 00
Sentinel Common Stock Fund	6,073.308	35.030	212,747 98	193,485.38	19,262.60
SPDR DJ Wilshire Total Market	830	107.120	88,909 60	52,945.70	35,963.90
SPDR DJIA Trust	400	134 050	53,620 00	43,848.00	9,772.00
Standard & Poors Deposit Receipt	450	143.970	64,786 50	57,730.50	7,056.00
T Rowe Price Blue Chip Growth	717.522	46.150	33,113 64	23,323.73	9,789.91
Technology Select Sector SPDR	200	30 825	6,165 00	3,367 54	2,797 46
Vanguard Intermediate Term Bond Index Fd	4,430.527	12.200	54,052 43	49,526.40	4,526.03
Vanguard Mid-Cap Growth Fund	1,569.717	21 460	33,686 13	25,676.16	8,009 97
Vanguard Short-Term Bond Fund	0.023	10 490	0 24	0.25	(0 01)
Vanguard Short-Term Investment Grade Bd	5,003.049	10 870	54,383 14	53,554.15	828.99
Victory Established Value Fund	947.643	27 450	26,012 80	25,990.51	22 29
Total Mutual Funds			***870,819.31***	***752,024.30***	***118,795.01***
Corporate Stocks:					
AT&T, Inc	340	37 70	12,818 00	8,739.28	4,078.72
3M Company	110	92.42	10,166 20	8,487.32	1,678 88
Abbott Laboratories	425	68 56	29,138 00	11,989.66	17,148 34
Allied World Assurance Company	125	77 25	9,656 25	5,374.03	4,282 22
AllState Corporation	300	39.61	11,883 00	8,636.19	3,246 81
Apache Corporation	28	86 47	2,421 16	2,955 75	(534.59)
Applied Materials, Inc Delaware	975	11 17	10,885 88	15,147.89	(4,262.02)
Automatic Data Processing	140	58 66	8,212 40	3,601.01	4,611 39
Axis Capital Holdings LTD	196	34 92	6,844 32	6,529 51	314.81
Berkshire Hathaway, Inc Class B	135	88.20	11,907 00	7,333.34	4,573 66
BHP Billiton LTD Sponsored ADR	55	68 61	3,773 55	3,699.66	73.89
Blackrock, Inc	30	178.30	5,349 00	4,988 28	360.72
Boeing Company	150	69 60	10,439 25	9,883 32	555.93
Bristol Myers Squibb Company	200	33 75	6,750 00	2,836.28	3,913.72
Carnival Corporation	180	36 43	6,557 40	5,049 80	1,507.60
Celanese Corporation, Series A	65	37 91	2,464 15	3,147 08	(682.93)
ChevronTexaco	272	116.56	31,704 32	15,801 89	15,902.43
Chubb Corporation	136	76 28	10,374 08	6,079 49	4,294.59
Cisco Systems, Inc	813	19 10	15,524 24	14,151 81	1,372.43
Comcast Corporation	422	34 81	14,689 82	7,327 74	7,362.08
CSX Corporation	600	20 75	12,450 00	3,819 25	8,630 75
Deere & Company	100	82 47	8,247 00	5,473.11	2,773.89
Devon Energy Corporation New	177	60 50	10,708 50	10,919.82	(211.32)
Dover Corporation	100	59 49	5,949 00	4,801.19	1,147.81
Duke Energy Corporation, New	106	64 79	6,867 74	5,779.38	1,088 36
E I Du Pont De Nemours & Company	170	50 27	8,545 90	7,221.88	1,324 02
E M C Corp Massachusetts	260	27 27	7,090 20	3,672.00	3,418 20

CLIFTON AND CLARA WARD FOUNDATION

PORTFOLIO VALUE REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2012

Security	Shares or Face	Price Per Share	Fair Market Value	Cost Basis	Unrealized Gain or (Loss)
Eaton Corporation	70	47.27	3,308 90	3,313 88	(4.98)
Ebay, Inc	378	48.37	18,283.86	10,529 02	7,754 84
Emcor Group, Inc	45	28.54	1,284 30	1,017.00	267.30
Emerson Electric Company	185	48.27	8,929 95	5,946 95	2,983.00
Ericsson L M Tel Company Class B	785	9.12	7,159 20	7,784 47	(625.27)
Exxon Mobil Corporation	226	91.45	20,667 70	13,826 21	6,841.49
First Republic Bank	100	34 46	3,446 00	3,154 18	291.82
Fluor Corporation DE	85	56 28	4,783 80	3,970.42	813 38
Forest City Enterprises Inc.	287	15 85	4,548 95	6,689.58	(2,140 63)
Franklin Resources, Inc	60	125 07	7,504 20	4,060.23	3,443.97
Gap, Inc Delaware	125	35.78	4,472 50	2,249.00	2,223.50
General Electric	380	22.71	8,629 80	12,474 24	(3,844.44)
General Mills, Inc.	260	39.85	10,361.00	6,265 97	4,095.03
Glaxosmithkline PLC Sponsored ADR	184	46.24	8,508.16	7,933 36	574.80
Google, Inc	10	754.50	7,545 00	5,406.03	2,138 97
Greenhill & Company, Inc.	150	51.75	7,762.50	6,533 60	1,228 90
Guess	37	25.42	940 54	1,167 41	(226.87)
Halliburton Company Holdings Company	281	33.69	9,466 89	8,648 01	818 88
Hess Corporation	180	53 72	9,669 60	9,663 65	5 95
Hewlett Packard Co.	115	17.06	1,961 90	3,260.30	(1,298 40)
Home Depot, Inc.	245	60 37	14,790 65	7,335.18	7,455.47
Honeywell International, Inc.	280	59 75	16,730 00	9,888 82	6,841.18
IBM	47	207.45	9,750 15	4,802.52	4,947.63
Jacobs Engineering Group, Inc.	60	40 43	2,425 80	2,594.77	(168.97)
Johnson & Johnson	360	68 91	24,807 60	19,681 09	5,126.51
Jones Lang Lasalle, Inc.	84	76 35	6,413 40	2,822 91	3,590.49
Joy Global, Inc	41	56.06	2,298.46	2,335 94	(37.48)
JP Morgan Chase & Company	706	40.48	28,578 88	22,499.86	6,079 02
KeyCorp	286	8.74	2,499.64	1,660 71	838 93
Kimberly Clark Corporation	115	85.78	9,864.70	7,478 33	2,386 37
KLA-Tencor Corporation	80	47.71	3,816 40	3,169.60	646 80
Macy's, Inc	200	37.62	7,524 00	2,095 00	5,429 00
Mattel, Inc DE	235	35.47	8,335 45	4,927 15	3,408 30
McDonalds Corporation	200	91.75	18,350 00	2,897 50	15,452.50
Merck & Company, Inc	335	45.10	15,106 83	11,660 64	3,446 19
Metlife Inc	101	34 46	3,480 46	3,753 81	(273.35)
Microsoft Corporation	588	29 76	17,498 88	15,261 15	2,237.73
Monsanto Company	130	91 02	11,832 60	8,941 82	2,890.78
Morgan Stanley Dean Witter Company	485	16 74	8,118 90	14,191 39	(6,072.49)
Newfield Exploration Company	63	31 32	1,973 16	2,199 67	(226.51)
Novartis AG ADR	180	61.26	11,026.80	8,973.06	2,053.74
Nucor Corporation	125	38 26	4,782 50	5,538.01	(755.51)
Oracle Corporation	64	31 46	2,013 44	2,052.72	(39.28)
Oshkosh Truck Company	170	27 43	4,663.10	5,821 30	(1,158.20)
Peabody Energy Corp	155	22.29	3,454 95	3,722 85	(267 90)
Peeblebrook Hotel Trust	180	23 39	4,210 20	3,095 41	1,114 79
Pepsico	155	70 77	10,969 35	7,920 19	3,049 16
Pfizer, Inc	720	24 85	17,892 00	19,480 83	(1,588 83)
Plantronics, Inc New	35	35.33	1,236 55	1,151 72	84.83
PPG Industries	150	114 84	17,226 00	8,339 08	8,886.92
Procter & Gamble Company	140	69 36	9,710 40	8,107 11	1,603 29

CLIFTON AND CLARA WARD FOUNDATION

PORTFOLIO VALUE REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2012

Security	Shares or Face	Price Per Share	Fair Market Value	Cost Basis	Unrealized Gain or (Loss)
Raytheon Company	175	57.16	10,003 00	5,824 89	4,178 11
Regions Fınancıal Corp (New)	347	7.20	2,496 67	2,150 90	345 77
Safeway, Inc New	595	16 09	9,573 55	11,754 91	(2,181.36)
Schlumberger LTD	192	72.33	13,887 36	8,743 83	5,143 53
Sotheby's Delaware	30	31.50	945 00	948 84	(3.84)
Southwest Energy Company DEL	141	34.78	4,903 98	5,009 11	(105.13)
Spectra Energy Corporatıon	270	29.36	7,927.20	3,948 23	3,978.97
Symantec Corporatıon	260	17.98	4,673 50	4,916 63	(243.13)
Target Corporation	100	63.47	6,347 00	5,294 00	1,053 00
Texas Instruments, Inc	283	27.56	7,798 07	7,713 82	84 24
The Mosaic Co (HLDG CO.)	22	57 61	1,267 42	1,023 82	243 60
Travelers Companıes, Inc.	265	68 26	18,088 90	11,193.99	6,894 91
Unilever PLC Sponsored ADR	275	36 52	10,043 00	6,504.77	3,538 23
United Parcel Servıce Class B	110	71 57	7,872 70	8,150.62	(277 92)
Unıted Technologıes Corporatıon	100	78 29	7,829 00	4,979 50	2,849.50
US Bancorp Del	276	34.30	9,466 80	7,350 91	2,115 89
Verızon Communıcatıons	100	45 57	4,557 00	2,281.77	2,275 23
Visa, Inc Class A	60	134 28	8,056 80	4,459.04	3,597.76
Vodafone Group PLC Spons ADR	412	28.50	11,742 00	9,399.89	2,342.11
Wal-Mart Stores, Inc	120	73 80	8,856.00	6,003.08	2,852.92
Walt Dısney Company	425	52 28	22,219.00	8,800.11	13,418.89
Waste Management Inc Delaware	350	32.08	11,228 00	10,697.00	531 00
Wells Fargo & Company New	180	34.53	6,215.40	4,983.16	1,232.24
Weyerhaeuser Company	494	26.14	12,913.16	8,581.28	4,331.88
Total Corporate Stocks			***940,942.85***	***692,453.71***	***248,489.14***
TOTAL SECURITIES			**$1,811,762.16**	**$ 1,444,478.01**	**$ 367,284.15**

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 8

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
CLARA T. WARD 7 NORTH LYNNCREST DRIVE CHATTANOOGA, TN 37411	PRESIDENT & TRUSTEE 0.25	0.	0.	0.
GLENN C. STOPHEL CHAMBLISS, BAHNER & STOPHEL, 605 CHESNUT STREET, SUITE 1700 CHATTANOOGA, TN 37450	SEC-TREASURER, TRUSTEE 0.25	0.	0.	0.
CARL K. WARD 20 GRAND OAK COURT 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.