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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

2012

Open to Public Inspection

For calendar year 2012 or tax year beginning , and ending

Name of foundation Pathfinder Foundation, Inc.		A Employer identification number 27-5487095
Number and street (or P O box number if mail is not delivered to street address) The Lupton Company, 201 W. Main St	Room/suite 205	B Telephone number (see instructions) (800) 839-1754
City or town, state, and ZIP code Chattanooga TN 37408		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 ☒ 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) \$ 13,866,816	J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) _____	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) (see instructions))		(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 (attach schedule)	13,333,333			
	2 Check ☐ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	61,711	61,711		
	5 a Gross rents				
	b Net rental income or (loss)				
	6 a Net gain or (loss) from sale of assets not on line 10	7,642			
	b Gross sales price for all assets on line 6a 581,576				
	7 Capital gain net income (from Part IV, line 2)		7,642		
	8 Net short-term capital gain				
	9 Income modifications				
	10 a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	13,402,686	69,353	0		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16 a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)				
	c Other professional fees (attach schedule)	46,424	13,232		33,192
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	1,376	576		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	29,946	253		29,693
	24 Total operating and administrative expenses. Add lines 13 through 23	77,746	14,061	0	62,885
	25 Contributions, gifts, grants paid	95,000			95,000
26 Total expenses and disbursements Add lines 24 and 25	172,746	14,061	0	157,885	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	13,229,940				
b Net investment income (if negative, enter -0-)		55,292			
c Adjusted net income (if negative, enter -0-)			0		

For Paperwork Reduction Act Notice, see instructions.

HTA

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Part II Balance Sheets

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

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing			
	2 Savings and temporary cash investments		250,463	250,463
	3 Accounts receivable ▶			
	Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10 a Investments—U S and state government obligations (attach schedule)		542,540	546,272
	b Investments—corporate stock (attach schedule)		1,373,957	1,417,773
	c Investments—corporate bonds (attach schedule)		71,045	72,579
	11 Investments—land, buildings, and equipment basis ▶			
Less accumulated depreciation (attach schedule) ▶				
12 Investments—mortgage loans				
13 Investments—other (attach schedule)		10,991,935	11,579,729	
14 Land, buildings, and equipment basis ▶				
Less accumulated depreciation (attach schedule) ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	0	13,229,940	13,866,816	
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 (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ☐			
	24 Unrestricted			
	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		13,229,940	
	30 Total net assets or fund balances (see instructions)	0	13,229,940	
	31 Total liabilities and net assets/fund balances (see instructions)	0	13,229,940	

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	0
2 Enter amount from Part I, line 27a	2	13,229,940
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	13,229,940
5 Decreases not included in line 2 (itemize) ▶	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	13,229,940

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				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a 581,576		573,934	7,642	
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(l) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a			7,642	
b				
c				
d				
e				
2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2	7,642	
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) (see instructions). If (loss), enter -0- in Part I, line 8 }		3	0	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2011	0	0	0.000000
2010			0.000000
2009			0.000000
2008			0.000000
2007			0.000000
2 Total of line 1, column (d)	2		0.000000
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		0.000000
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	11,040,224	
5 Multiply line 4 by line 3	5		
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	553	
7 Add lines 5 and 6	7	553	
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions	8	157,885	

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

1 a 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	553	
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	553	
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4		
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	553	
6 Credits/Payments				
a 2012 estimated tax payments and 2011 overpayment credited to 2012	6a	800		
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	800		
8 Enter any penalty for underpayment of estimated tax. Check here ☒ if Form 2220 is attached	8			
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	0		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	247		
11 Enter the amount of line 10 to be Credited to 2013 estimated tax 247 Refunded	11	0		

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation. ► \$ _____ (2) On foundation managers. ► \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ► \$ _____		
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
4 a 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?	N/A	
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	
8 a 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 <i>General Instruction G</i> ? <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 2012 or the taxable year beginning in 2012 (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	

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?	13	X	
Website address ▶				
14	The books are in care of ▶ c/o Foundation Source Telephone no ▶ (800) 839-1754			
Located at ▶ 501 Silverside Road, Suite 123 Wilmington DE ZIP+4 ▶ 19809-1377				
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			
16	At any time during calendar year 2012, 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
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)? Organizations relying on a current notice regarding disaster assistance check here ▶ ☐	1b	N/A
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 2012?	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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? ☐ Yes ☒ No If "Yes," list the years ▶ 20 , 20 , 20 , 20		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions.)	2b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20 , 20 , 20 , 20		
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 2012 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 2012)	3b	N/A
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 2012?	4b	X

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

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?Organizations relying on a current notice regarding disaster assistance check here ☐**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?☐ Yes ☐ No

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

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE ATTACHMENT				

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

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				
		.00		
		.00		
		.00		
		.00		
		.00		

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

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

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

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

Part IX-A Summary of Direct Charitable Activities

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

Expenses

1		
2		
3		
4		

Part IX-B Summary of Program-Related Investments (see instructions)

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

Amount

1		
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	1,655,252
b	Average of monthly cash balances	1b	1,419,329
c	Fair market value of all other assets (see instructions)	1c	8,133,768
d	Total (add lines 1a, b, and c)	1d	11,208,349
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	11,208,349
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	168,125
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	11,040,224
6	Minimum investment return. Enter 5% of line 5	6	552,011

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	552,011
2a	Tax on investment income for 2012 from Part VI, line 5	2a	553
b	Income tax for 2012 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	553
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	551,458
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	551,458
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	551,458

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	157,885
b	Program-related investments—total from Part IX-B	1b	
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	157,885
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 (see instructions)	5	553
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	157,332

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 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				551,458
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			0	
b Total for prior years 20 ____, 20 ____, 20 ____				
3 Excess distributions carryover, if any, to 2012				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f Total of lines 3a through e	0			
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ <u>157,885</u>				
a Applied to 2011, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see instructions)				
c Treated as distributions out of corpus (Election required—see instructions)				
d Applied to 2012 distributable amount				157,885
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e. Subtract line 5	0			
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				
d Subtract line 6c from line 6b Taxable amount—see instructions				
e Undistributed income for 2011. Subtract line 4a from line 2a Taxable amount—see instructions			0	
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013				393,573
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

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 2012, 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

Tax year	Prior 3 years			(e) Total
(a) 2012	(b) 2011	(c) 2010	(d) 2009	
b 85% of line 2a				0
c Qualifying distributions from Part XII, line 4 for each year listed				0
d Amounts included in line 2c not used directly for active conduct of exempt activities				0
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c				0
3 Complete 3a, b, or c for the alternative test relied upon				
a "Assets" alternative test—enter				
(1) Value of all assets				0
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)				0
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed				0
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)				0
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)				0
(3) Largest amount of support from an exempt organization				0
(4) Gross investment income				0

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))

Carter Lupton

- b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ☒ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

- a** The name, address, and telephone number or e-mail 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 XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	Related or exempt function income (See instructions)
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	61,711	
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					
8 Gain or (loss) from sales of assets other than inventory .			18	7,642	
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		69,353	0
13 Total. Add line 12, columns (b), (d), and (e)				13	69,353

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

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

[illegible]

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?

Transfers from the reporting foundation to a noncharitable exempt organization of:

Cash			X
Other assets			X

Other assets			X
--------------	--	--	---

Other transactions:

Sales of assets to a noncharitable exempt organization	X
--	---

Purchases of assets from a noncharitable exempt organization			X
--	--	--	---

Rental of facilities, equipment, or other assets			X
--	--	--	---

Reimbursement arrangements			X
--------------------------------------	--	--	---

Loans or loan guarantees			X
------------------------------------	--	--	---

Performance of services or membership or fundraising solicitations			X
--	--	--	---

Sharing of facilities, equipment, mailing lists, other assets, or paid employees			X
--	--	--	---

If the answer to any of the above is "Yes," complete the following schedule. Column 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 the value of the goods, other assets, or services received.

[illegible]

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

If "Yes," complete the following schedule

Name of organization	Type of organization	Description of relationship

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.

correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

▶ Carrie Lupton 11/14/13 ▶ President

Signature of officer or trustee	Date	Title
---------------------------------	------	-------

Signature of officer or trustee

Date

Title

May the IRS discuss this return with the preparer shown below (see instructions)? ☒ ☐

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Jeffrey D. Haskell	Jeffrey D. Haskell	11/13/2013		P01345770
Firm's name ► Foundation Source			Firm's EIN ► 51-0398347	
Firm's address ► One Hollow Lane, Suite 212, Lake Success, NY 11042			Phone no (800) 839-1754	

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No 1545-0047

2012

Name of the organization

Employer identification number

Pathfinder Foundation, Inc

27-5487095

Organization type (check one)

Filers of:

Section:

Form 990 or 990-EZ

☐ 501(c)() (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization Pathfinder Foundation, Inc	Employer identification number 27-5487095
--	--

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
-----	Lupton, Cartter Lupton Company 201 W. Main St, Ste 205 Chattanooga TN 37408 Foreign State or Province ----- Foreign Country -----	\$ 3,333,333	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution)
2	Lyndhurst Foundation c/o Margaret Stakely, 517 East Fifth Street Chattanooga TN 37403 Foreign State or Province ----- Foreign Country -----	\$ 10,000,000	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
-----	----- ----- ----- Foreign State or Province ----- Foreign Country -----	\$ -----	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
-----	----- ----- ----- Foreign State or Province ----- Foreign Country -----	\$ -----	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
-----	----- ----- ----- Foreign State or Province ----- Foreign Country -----	\$ -----	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
-----	----- ----- ----- Foreign State or Province ----- Foreign Country -----	\$ -----	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
-----	----- ----- ----- Foreign State or Province ----- Foreign Country -----	\$ -----	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

Employer identification number
27-5487095

Part II

[illegible]

Name of organization
Pathfinder Foundation, Inc

Employer identification number
27-5487095

Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations

total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry

For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc.,

contributions of \$1,000 or less for the year (Enter this information once See instructions)

► \$ 0

Use duplicate copies of Part III if additional space is needed

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	----- ----- ----- For Prov. Country		----- ----- -----
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	----- ----- ----- For Prov. Country		----- ----- -----
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	----- ----- ----- For Prov. Country		----- ----- -----
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	----- ----- ----- For Prov. Country		----- ----- -----

Part VII-A, Line 10 (990-PF) - Substantial Contributors

	Name	Check "X" if Business	Street	City	State	Zip Code	Foreign Country
1	Cartter Lupton		201 W. Main Street, Ste 205	Chattanooga	TN	37408	
2	Lyndhurst Foundation		c/o Margaret Stakely, 517 E 5th St	Chattanooga	TN	37403	

Part I, Line 16c (990-PF) - Other Professional Fees

		46,424	13,232	0	33,192
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	Investment Management Services	13,232	13,232		0
2	Consulting Services	33,192	0		33,192

Part I, Line 18 (990-PF) - Taxes

		1,376	576	0	0
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	Estimated Tax for 2012	800	0		0
2	Foreign Tax Paid	576	576		0

Part I, Line 23 (990-PF) - Other Expenses

		29,946	253	0	29,693
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	Administrative Fees	25,943	0		25,943
2	Administrative Set-Up Fee	3,750	0		3,750
3	Bank Charges	253	253		0

Federal	0	542,540	0	546,272
---------	---	---------	---	---------

	Federal	State/Local	Numb. Shares/ Face Value	Book Value Beg of Year	Book Value End of Year	FMV Beg of Year	FMV End of Year	State/Local Obligation
	0	0	0	542,540	0	0	546,272	
Description			Numb. Shares/ Face Value	Book Value Beg of Year	Book Value End of Year	FMV Beg of Year	FMV End of Year	State/Local Obligation
1 FHLM G02342 - 5 000% - 10/01/2036			10,779		11,688		11,609	
2 FHLM Q3168 - 4 500% - 09/01/2041			38,770		41,430		41,834	
3 FHLN Q5925 - 3 500% - 02/01/2042			22,897		23,753		24,368	
4 FHLN C - 4 750% - 11/17/2015			2,000		2,283		2,249	
5 FHLN C - K012 CL A2 - 4 186% - 12/25/2020			3,000		3,345		3,478	
6 FHLN REMIC K-AIV CL A 2 - 3 989% - 06/01/2041			3,000		3,295		3,444	
7 FNMA - 3 500% - 09/01/2042 - AP7488			41,819		44,878		44,790	
8 FNMA AB5468 - 3 500% - 06/01/2042			23,859		24,720		25,510	
9 FNMA AL0789 - 4 000% - 09/01/2041			1,693		1,840		1,861	
10 FNMA POOL #AB7079 - 3 00% - 11/01/2042			27,938		29,446		29,304	
11 FNMA POOL #AD8033 4 00% 08/01/2040			26,828		28,719		28,788	
12 FNMA POOL #AH3645 4 00% 02/01/2041			30,854		32,618		33,108	
13 U S T BILL BD STRIPPED PRIN PMT 0 000			10,000		9,059		9,473	
14 US T BILL - 2 000% - 11/15/2021			3,000		3,015		3,114	
15 US T BILL BILL - 5 250% - 02/15/2029			1,000		1,315		1,382	
16 US T BILL BOND - 4 250% - 11/15/2040			3,000		3,558		3,831	
17 US T BILL BOND - 4 375% - 05/15/2041			3,000		3,631		3,908	
18 US T BILL NOTE - 0 750% - 10/31/2017			113,000		113,469		113,370	
19 US T BILL NOTE - 0 750% - 12/15/2013			21,000		21,120		21,112	
20 US T BILL NOTE - 1 000% - 10/31/2016			3,000		3,006		3,057	
21 US T BILL NOTE - 1 375% - 02/28/2019			28,000		27,706		28,694	
22 US T BILL NOTE - 4 375% - 02/15/2038			3,000		3,623		3,893	
23 US TIPS - 0 125% - 07/15/2022			70,413		76,996		76,436	
24 US TIPS - 2 500% - 01/15/2029			19,393		28,027		27,659	

Part II, Line 10b (990-PF) - Investments - Corporate Stock

		0		1,373,957		0		1,417,773	
	Description	Num Shares/ Face Value	Book Value Beg. of Year	Book Value End of Year	FMV Beg. of Year	FMV End of Year			
1	AFLAC INC	507		23,764		26,932			
2	AIR PRODS & CHEM INC.	276		24,956		23,190			
3	ALLIANZ FIXED INC SHARES SERIES C	15,340		200,187		207,090			
4	ALLIANZ FIXED INC SHARES SERIES M	18,730		200,225		210,150			
5	ASTRAZENECA	486		21,938		22,973			
6	BANK OF NOVA SCOTIA	438		23,882		25,351			
7	BOEING CO	312		23,382		23,512			
8	BRITISH AMERICAN TOBACCO PLC	213		21,515		21,566			
9	CLOROX CO	312		23,142		22,845			
10	COCA-COLA CO	585		20,147		21,206			
11	COLGATE-PALMOLIVE COMPANY	219		20,323		22,894			
12	CSX CORP	1,003		21,805		19,789			
13	DIAGEO PLC ADS	215		20,533		25,065			
14	DOUBLELINE TOTAL RETURN BOND CL N	11,949		134,294		135,379			
15	EMERSON ELECTRIC CO.	445		22,439		23,567			
16	GENERAL MILLS INC	601		22,862		24,292			
17	GLAXOSMITHKLINE PLC	494		23,247		21,474			
18	ILLINOIS TOOL WORKS	402		22,539		24,446			
19	INTEL CORP	871		23,648		17,960			
20	JOHNSON & JOHNSON	336		21,966		23,554			
21	LOOMIS SAYLES SECURITIZED ASSET FD	11,075		123,631		123,821			
22	MEDTRONIC INC	574		22,160		23,545			
23	NEXTERA ENERGY, INC	331		20,053		22,902			
24	NORTHEAST UTIL	588		20,760		22,979			
25	NOVARTIS AG ADR	387		21,350		24,497			
26	OCCIDENTAL PETROLEUM CORP	256		23,042		19,612			
27	PEARSON PLC	1,192		22,764		23,292			
28	RAYTHEON CO	409		20,712		23,542			
29	SANOFI-AVENTIS SPONSORED ADR	554		20,895		26,249			
30	TORONTO DOMINION	288		23,750		24,287			
31	TOTAL FINA ELF S A	469		23,134		24,393			
32	UNILEVER PLC AMER	629		23,214		24,355			
33	UNITED PARCEL SERVICE	303		23,723		22,340			
34	UNITED TECHNOLOGIES CORP	296		24,576		24,275			
35	VODAFONE GROUP PLC	769		21,115		19,371			
36	WPP GROUP PLC	344		22,284		25,078			

Part II, Line 10c (990-PF) - Investments - Corporate Bonds

	Description	Interest Rate	Maturity Date	Book Value Beg. of Year	Book Value End of Year	FMV Beg. of Year	FMV End of Year
1	ANHEUSER BUSCH COS INC 06 450% 09/0				2,676		2,735
2	AOL TIME WARNER INC 07 625% 04/15/31				2,613		2,753
3	BANK OF AMERICA BOND 5.125% 11/15/20				3,148		3,199
4	CAPITAL ONE FINL CORP - 6.150% - 09/01/2				2,215		2,288
5	CISCO SYSTEMS INC - 5.000% - 02/22/2016				2,322		2,286
6	CITIGROUP INC SR NT 6 125% 05/15/2018				2,246		2,397
7	CONOCPhillips CDA FDG 05.625% 10/15/				2,357		2,345
8	DEERE JOHN CAP CORP - 1 200% - 10/10/2				3,018		3,005
9	DELL - 2.300% - 9/10/2015				3,107		3,083
10	EMBARQ CORP NT - 7 995% - 06/01/36				3,091		3,313
11	ENERGY TRANSFER PARTNERS 5 950% 02				2,226		2,192
12	EQUITY RESIDENTIAL PPTYS 05.125% 03/1				2,209		2,231
13	GE CAP CORP SR UNSERUES 5 625% 9/15				2,324		2,359
14	JPMORGAN CHASE & CO - 5.150% - 10/01/2				3,289		3,297
15	MARATHON OIL CORP BOND 6 600% 10/01				2,462		2,672
16	MCDONALDS CORP NT - 5 000% - 02/01/20				2,347		2,330
17	MORGAN STANLEY - 4 750% - 04/01/2014				3,059		3,106
18	MURPHY OIL CORP SR NT 2 50000% 12/01				3,021		3,019
19	ONEOK PARTNERS CONS BONDS 6.150%				2,305		2,328
20	PACIFIC GAS & ELEC CO 1STM BD 4.800%				3,226		3,143
21	PRUDENTIAL INC. - 4 750% - 09/17/2015				3,269		3,288
22	TELECOM ITALIA CAP SR NT-C 6 37500% 1				2,748		3,023
23	TOTAL CAPITAL GTD-3 0%-06/24/2015				2,083		2,113
24	UNITEDHEALTH GROUP INC 05 800% 03/15				2,331		2,413
25	VIACOM INC NTS 06 875% 04/30/36				2,582		2,709
26	VODAFONE GROUP PLC 06.150% 02/27/37				2,446		2,645
27	XEROX - 6.350% - 05/15/2018				2,325		2,307

Part II, Line 13 (990-PF) - Investments - Other

		10,991,935		11,579,729	
	Asset Description	Basis of Valuation	Book Value Beg. of Year	Book Value End of Year	FMV End of Year
1	LDEP-NT			2,185,484	2,299,683
2	LHFP-NT			5,870,967	6,088,961
3	LIEP-NT			2,935,484	3,191,085

Part VIII, Line 1 (990-PF) - Compensation of Officers, Directors, Trustees and Foundation Managers

0000000000												
	Name	Check "X" if Business	Street	City	State	Zip Code	Foreign Country	Title	Avg Hrs Per Week	Compensation	Benefits	Expense Account
1	David A Belitz		Lupton Company 201 W Main St	Chattanooga	TN	37408		Dir	1 00	0	0	0
2	Benic M Clark III		Lupton Company 201 W Main St	Chattanooga	TN	37408		Sec	1 00	0	0	0
3	Cartier Lupton		Lupton Company 201 W Main St	Chattanooga	TN	37408		Pres / Dir	20.00	0	0	0