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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 OCT 1, 2012 , and ending SEP 30, 2013

Name of foundation: CLIFTON AND CLARA WARD FOUNDATION

A Employer identification number: 58-1917676

Number and street (or P O box number if mail is not delivered to street address): 7 NORTH LYNNCREST DRIVE | Room/suite:

B Telephone number: (423) 756-3000

City or town, state, and ZIP code: CHATTANOOGA, TN 37411-1820

C If exemption application is pending, check here ▶ ☐

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) ▶$ 2,065,062.

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))

		(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	42,336.	42,336.		STATEMENT 1
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	203,099.			
	b Gross sales price for all assets on line 6a 779,980.				
	7 Capital gain net income (from Part IV, line 2)		203,099.		
	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	706.	706.		STATEMENT 2
	12 **Total.** Add lines 1 through 11	246,141.	246,141.		
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 3	11,365.	0.		11,365.
	b Accounting fees				
	c Other professional fees STMT 4	19,469.	19,469.		0.
	17 Interest				
	18 Taxes STMT 5	1,132.	205.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 6	480.	480.		0.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	32,446.	20,154.		11,365.
	25 Contributions, gifts, grants paid	75,000.			75,000.
	26 **Total expenses and disbursements.** Add lines 24 and 25	107,446.	20,154.		86,365.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	138,695.			
	b **Net investment income** (if negative, enter -0-)		225,987.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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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	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	374.	340.	340.
	2 Savings and temporary cash investments	52,054.	125,553.	125,553.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 7	692,453.	808,405.	1,130,347.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 8	746,243.	695,521.	808,822.
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers)	1,491,124.	1,629,819.	2,065,062.
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	1,491,124.	1,629,819.	
	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**	1,491,124.	1,629,819.	
	31 **Total liabilities and net assets/fund balances**	1,491,124.	1,629,819.	

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	1,491,124.
2	Enter amount from Part I, line 27a	2	138,695.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	1,629,819.
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	1,629,819.

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" - ST	P	VARIOUS	VARIOUS
b	"PUBLICLY TRADED SECURITIES" - LT	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	32,031.		31,798.	233.
b	733,655.		545,083.	188,572.
c	14,294.			14,294.
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				233.
b				188,572.
c				14,294.
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	203,099.
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 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	86,727.	1,723,683.	.050315
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

2 **Total** of line 1, column (d)	2	.266962
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	.053392
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	1,900,170.
5 Multiply line 4 by line 3	5	101,454.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	2,260.
7 Add lines 5 and 6	7	103,714.
8 Enter qualifying distributions from Part XII, line 4	8	86,365.

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	4,520.
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	4,520.
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	4,520.
6	Credits/Payments:			
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a 976.		
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	976.
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	3,544.
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	
11	Enter the amount of line 10 to be: **Credited to 2013 estimated tax** ▶	**Refunded** ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	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 2012 or the taxable year beginning in 2012 (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)*

			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 CHESTNUT STREET, SUITE 1700, CHATTANOOGA, TN ZIP+4 ▶ 37450

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

			Yes	No
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?	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.

			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 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 ▶ ____, ____, ____, ____			
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 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.)* 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 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)? ☐ 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 9		0.	0.	0.

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

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

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

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	1,830,708.
b	Average of monthly cash balances			1b	98,399.
c	Fair market value of all other assets			1c	
d	**Total** (add lines 1a, b, and c)			1d	1,929,107.
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	1,929,107.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)			4	28,937.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4			5	1,900,170.
6	**Minimum investment return.** Enter 5% of line 5			6	95,009.

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	95,009.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	4,520.		
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	4,520.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	90,489.
4	Recoveries of amounts treated as qualifying distributions			4	0.
5	Add lines 3 and 4			5	90,489.
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	90,489.

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	86,365.
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	86,365.
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	86,365.

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				90,489.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			0.	
b Total for prior years: ____, ____, ____		0.		
3 Excess distributions carryover, if any, to 2012:				
a From 2007 2,843.				
b From 2008 18,215.				
c From 2009 6,775.				
d From 2010				
e From 2011 1,517.				
f Total of lines 3a through e	29,350.			
4 Qualifying distributions for 2012 from Part XII, line 4: ▶ $ 86,365.				
a Applied to 2011, 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 2012 distributable amount				86,365.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a).)	4,124.			4,124.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	25,226.			
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 2011. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				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 2007 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	25,226.			
10 Analysis of line 9:				
a Excess from 2008 16,934.				
b Excess from 2009 6,775.				
c Excess from 2010				
d Excess from 2011 1,517.				
e Excess from 2012				

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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)

	Tax year	Prior 3 years			
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	(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 ▶ ☒ 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 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.

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Part XVI-A Analysis of Income-Producing Activities

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
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	42,336.	
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	706.	
8 Gain or (loss) from sales of assets other than inventory			18	203,099.	
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.		246,141.	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 246,141.

(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

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

X [signature] | 2/14/2014 | Sec - Treas

Signature of officer or trustee | Date | Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
AMY G. THOMAS	Amy G. Thomas	2/6/14		P01525903
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.

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FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
FIRST TENNESSEE BANK - NOMINEE - DIVIDENDS	28,349.	7,954.	20,395.
MORGAN STANLEY SMITH BARNEY - DIVIDENDS	19,457.	0.	19,457.
SENTINEL COMMON STOCK FUNDS	8,824.	6,340.	2,484.
TOTAL TO FM 990-PF, PART I, LN 4	56,630.	14,294.	42,336.

FORM 990-PF OTHER INCOME STATEMENT 2

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
MISCELLANEOUS INCOME	706.	706.	
TOTAL TO FORM 990-PF, PART I, LINE 11	706.	706.	

FORM 990-PF LEGAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
CHAMBLISS, BAHNER & STOPHEL, P.C.	11,365.	0.		11,365.
TO FM 990-PF, PG 1, LN 16A	11,365.	0.		11,365.

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT 4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MORGAN STANLEY SMITH BARNEY	12,083.	12,083.		0.
FIRST TENNESSEE BANK	7,386.	7,386.		0.
TO FORM 990-PF, PG 1, LN 16C	19,469.	19,469.		0.

FORM 990-PF	TAXES			STATEMENT 5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL EXCISE TAX	927.	0.		0.
FOREIGN TAX WITHHELD ON DIVIDENDS	205.	205.		0.
TO FORM 990-PF, PG 1, LN 18	1,132.	205.		0.

FORM 990-PF	OTHER EXPENSES			STATEMENT 6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MISCELLANEOUS	480.	480.		0.
TO FORM 990-PF, PG 1, LN 23	480.	480.		0.

FORM 990-PF	CORPORATE STOCK	STATEMENT 7

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCK - SCHEDULE ATTACHED	808,405.	1,130,347.
TOTAL TO FORM 990-PF, PART II, LINE 10B	808,405.	1,130,347.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT 8

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
MUTUAL FUNDS - SCHEDULE ATTACHED	COST	693,035.	806,336.
UNSETTLED SALES/PURCHASES	COST	2,486.	2,486.
TOTAL TO FORM 990-PF, PART II, LINE 13		695,521.	808,822.

CLIFTON AND CLARA WARD FOUNDATION

PORTFOLIO VALUE REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2013

Security	Shares or Face	Price Per Share	Fair Market Value	Cost Basis	Unrealized Gain or (Loss)
Mutual Funds:					
Cohen & Steers Institutional Realty Shares	484 016	42 65	20,643	20,302	341
Federated Total Return Bond Fund	4466 61	10 97	48,999	51,807	(2,808)
Fidelity Advisor Floating Rate High Income Fund	4423 767	9 92	43,884	43,887	(3)
Ishares MSCI EAFE Index Fund	1016	63 801	64,822	47,527	17,295
Ishares Russell 2000 ETF	300	106 61	31,983	24,807	7,176
Lord Abbett Investment Trust	17245 897	2 85	49,151	51,704	(2,553)
Lord Abbett Investment Trust Short Duration Income I	8849 805	4 56	40,355	41,055	(700)
Pimco Low Duration Fund	91 778	10 3	945	957	(12)
Pimco Total Return Fund	408 18	10 82	4,417	4,548	(131)
Sentinel Common Stock Fund	6073 308	40 56	246,333	193,485	52,848
SPDR DJ Wilshire Total Market	244	151	36,844	26,747	10,097
SPDR DJIA Trust	224	168 01	37,634	28,391	9,243
T Rowe Price Blue Chip Growth	2 158	57 28	124	97	27
Vanguard Intermediate Term Bond Index Fd	4658 541	11 32	52,735	52,230	505
Vanguard Mid-Cap Growth Fund	1666 309	25 23	42,041	27,627	14,414
Vanguard Short-Term Corporation	4094 408	10 71	43,851	43,856	(5)
Victory Established Value Fund	1,239 97	33 53	41,576	34,006	7,570
Total Mutual Funds			***806,336***	***693,035***	***113,302***
Corporate Stocks:					
3M Company	110	119 41	13,135	8,487	4,648
Abbvie Inc Com	127	44 73	5,681	2,555	3,126
Actavis Inc	55	144	7,920	4,893	3,027
Alaska Air Group Incorporated	20	62 62	1,252	1,150	102
Allied World Assurance Company	72	99 39	7,156	3,173	3,983
AllState Corporation	110	50 55	5,561	3,167	2,394
Ameriprise Financial Inc	80	91 08	7,286	4,954	2,332
Apache Corp	70	85 14	5,960	5,246	714
Apple Inc	10	476 75	4,768	5,370	(602)
Apple Inc	14	476 75	6,675	6,356	318
Applied Materials, Inc Delaware	895	17 531	15,690	13,780	1,910
AT&T	157	33 82	5,310	3,908	1,402
AT&T	130	33 82	4,397	3,512	884
Automatic Data Processing	140	72 38	10,133	3,601	6,532
Axis Capital Holdings LTD	164	43 31	7,103	5,487	1,616
Baker Hughes, Inc	49	49 1	2,406	1,960	446
Bank of America Corp	470	13 8	6,486	5,006	1,481
Berkshire Hathaway, Inc Class B	135	113 51	15,324	7,333	7,991
BHP Billiton LTD Sponsored ADR	53	66 5	3,525	3,608	(84)
Blackrock Inc	40	270 62	10,825	7,078	3,747
Boeing Company	103	117 5	12,103	6,726	5,377
Cameron Intnl Corp	34	58 37	1,985	1,870	115
Capital One Finl Corp	80	68 74	5,499	4,590	910
Carnival CP New Paired com	190	32 64	6,202	5,400	802
Celanese Corporation SER A	87	52 79	4,593	4,149	444
CF Industries Holding Inc	20	210 83	4,217	4,279	(62)
Chevron Corp	127	121 5	15,431	13,819	1,612
Chubb Corporation	102	89 26	9,105	4,900	4,204
Cisco Systems, Inc	295	23 431	6,912	5,850	1,062
Cisco Systems, Inc	313	23 431	7,334	5,135	2,199
Cisco Systems, Inc	571	23 431	13,379	11,139	2,240
Citigroup	165	48 51	8,004	7,728	277
Coach Inc	78	54 53	4,253	4,266	(13)
Colgate Palmolive Co	120	59 3	7,116	6,420	696
Comcast Corporation	238	43 35	10,317	4,343	5,975
Conocophillips	90	69 51	6,256	5,205	1,051
Constellation Brands Inc	170	57 4	9,758	6,077	3,681
CVS Caremark Corp	135	56 75	7,661	6,381	1,280
Danaher Corp	80	69 32	5,546	4,270	1,276
Darden Restaurants Inc	90	46 29	4,166	4,233	(67)
Devon Energy Corporation New	158	57 76	9,126	9,828	(702)
Dr Pepper Snapple Group Inc	135	44 82	6,051	6,206	(155)
Du Pont EI De Nemours & Co	82	58 56	4,802	3,690	1,112
Duke Energy Corporation, New	106	66 78	7,079	5,525	1,554

CLIFTON AND CLARA WARD FOUNDATION

PORTFOLIO VALUE REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2013

Security	Shares or Face	Price Per Share	Fair Market Value	Cost Basis	Unrealized Gain or (Loss)
E I Du Pont De Nemours & Company	88	58 56	5,153	3,783	1,370
E M C Corp Massachusetts	328	25 56	8,384	5,325	3,059
Eaton Corp	85	68 84	5,851	4,581	1,270
EBay	86	55 795	4,798	1,996	2,802
EBay	135	55 795	7,532	4,332	3,201
Ecolab Inc	52	98 76	5,136	3,750	1,386
Emcor Group, Inc	29	39 13	1,135	655	479
Ericsson L M Tel Company Class B	458	13 35	6,114	4,727	1,387
Exxon Mobil Corporation	101	86 04	8,690	8,478	212
Exxon Mobil Corporation	125	86 04	10,755	5,348	5,407
First Republic Bank	100	46 63	4,663	3,154	1,509
Fiserv Inc	75	101 05	7,579	6,004	1,575
Fluor Corporation Delaware	50	70 96	3,548	2,375	1,173
Forest City Enterprises Inc	375	18 94	7,103	8,226	(1,124)
Franklin Resources, Inc	111	50 55	5,611	2,493	3,118
Freeportmcmoran Copperand Gold Inc	110	33 08	3,639	3,498	141
General Dynamics Corp	65	87 52	5,689	4,421	1,268
General Electric	280	23 89	6,689	9,532	(2,843)
General Mills, Inc	173	47 92	8,290	4,913	3,377
Gilead Sciences Inc	130	62 87	8,173	4,838	3,335
Glaxosmithkline PLC Sponsored ADR	103	50 17	5,168	4,613	554
Glaxosmithkline PLC Sponsored ADR	105	50 17	5,268	4,412	856
Goldman Sachs Grp Inc	61	158 21	9,651	8,344	1,306
Google, Inc	10	875 91	8,759	5,406	3,353
Greenhill & Co Inc	21	49 88	1,047	761	286
Halliburton Company Holdings Company	168	48 15	8,089	5,688	2,402
Harman International Inds	125	66 23	8,279	5,116	3,163
Harris Corp Del	120	59 3	7,116	5,862	1,254
Hess Corporation	109	77 34	8,430	5,867	2,564
Home Depot	124	75 85	9,405	3,117	6,288
Honeywell International, Inc	115	83 04	9,550	3,240	6,309
Honeywell International, Inc	90	83 04	7,474	4,889	2,585
IBM	47	185 18	8,703	4,803	3,901
Jacobs Engineering Group, Inc	48	58 18	2,793	2,052	741
Johnson & Johnson	136	86 69	11,790	7,412	4,378
Johnson & Johnson	200	86 69	17,338	10,962	6,376
Jones Lang Lasalle	55	87 3	4,802	1,805	2,997
Joy Global Inc	85	51 04	4,338	4,981	(642)
JP Morgan Chase & Company	215	51 69	11,113	9,417	1,697
JP Morgan Chase & Company	110	51 69	5,686	2,285	3,401
JP Morgan Chase & Company	231	51 69	11,940	9,109	2,832
KeyCorp	448	11 4	5,107	3,474	1,633
Kimberly Clark Corporation	115	94 22	10,835	7,433	3,402
KLA Tencor Corp	84	60 85	5,111	3,799	1,312
Kohls Corp	95	51 75	4,916	4,163	753
Laboratory Corp America holdings	60	99 14	5,948	5,096	853
Lowes Cos Inc	135	47 61	6,427	4,748	1,679
LSI Corp	830	7 825	6,495	5,851	644
Mattel, Inc Delaware	139	41 88	5,821	3,023	2,799
McKesson Corp	55	128 3	7,057	5,261	1,796
Merck & Co Inc New	138	47 609	6,570	6,131	439
Merck & Company, Inc	216	47 609	10,284	6,944	3,340
Metlife Inc	140	46 95	6,573	4,612	1,961
Metlife Inc	146	46 95	6,855	5,636	1,219
Microsoft Corporation	366	33 28	12,180	9,640	2,540
Monsanto Company	110	104 37	11,481	7,450	4,031
Murphy Oil Corp	90	60 32	5,429	4,365	1,063
Murphy USA Inc	22	40 39	889	690	199
Nabors Industries	365	16 06	5,862	5,340	522
National-Oilwell Inc	75	78 11	5,858	5,103	755
Newfield Expl Co	88	27 37	2,409	2,862	(453)
NOVARTIS AG ADR	142	76 71	10,893	7,158	3,734
Nucor Corporation	143	49 02	7,010	6,607	402
Nvidia Corp	450	15 56	7,002	5,512	1,490
Occidental Petroleum Corp De	70	93 54	6,548	5,438	1,110
Oracle Corp	64	33 17	2,123	2,053	70

CLIFTON AND CLARA WARD FOUNDATION

PORTFOLIO VALUE REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2013

Security	Shares or Face	Price Per Share	Fair Market Value	Cost Basis	Unrealized Gain or (Loss)
Oracle Corporation	175	33 17	5,805	5,630	175
Peabody Energy Corp	107	17 25	1,846	2,336	(491)
Peeblebrook Hotel Trust	173	28 71	4,967	3,307	1,660
Pepsico	155	79 5	12,323	7,920	4,402
Pfizer, Inc	300	28 725	8,618	8,223	395
Pfizer, Inc	262	28 725	7,526	6,275	1,251
Plantronics Inc	29	46 05	1,335	954	381
PPG Industries	130	167 06	21,718	7,181	14,537
Procter & Gamble Company	140	75 59	10,583	8,107	2,475
Raytheon Co	94	77 07	7,245	5,336	1,909
Raytheon Company	175	77 07	13,487	5,825	7,662
Regions Financial Corp	737	9 26	6,825	4,763	2,061
Roper Inds Inc	40	132 87	5,315	4,485	830
Royal Dutch Shell PLC CL	28	65 68	1,839	1,884	(45)
Royal Dutch Shell PLC CL	35	68 85	2,410	2,447	(37)
Safeway, Inc New	115	31 99	3,679	2,221	1,458
Schlumberger LTD	68	88 36	6,008	2,093	3,916
Scripps Networks	80	78 11	6,249	4,603	1,646
Sotheby's CL A	26	49 13	1,277	824	453
State Street Corp	178	65 75	11,704	10,248	1,455
Stericycle Inc	50	115 4	5,770	4,745	1,026
Symantec Corp	178	24 75	4,406	3,421	985
Target Corporation	75	63 98	4,799	3,971	828
Teradyne Inc	286	16 52	4,725	4,605	120
Teva Pharmaceuticals ADR	83	37 78	3,136	3,265	(129)
Texas Instruments, Inc	125	40 29	5,036	3,109	1,927
The Mosaic Co	38	43 02	1,635	1,814	(179)
Thermo Fisher Scientific Inc	75	92 15	6,911	4,871	2,041
TJX COS Inc , New	44	56 39	2,481	2,184	297
Travelers Companies Inc	65	84 77	5,510	4,770	740
Travelers Companies, Inc	211	84 77	17,886	9,409	8,478
Tyco Intl Ltd	131	34 98	4,582	3,756	826
Unilever PLC Sponsored ADR	206	38 58	7,947	4,966	2,982
Union Pac Corp	35	155 34	5,437	4,375	1,062
United Parcel Service CL B	125	91 37	11,421	9,341	2,080
United Technologies Corporation	117	107 82	12,615	6,440	6,175
Unumprovident Corp	225	30 44	6,849	4,696	2,153
US Bancorp Com	237	36 58	8,669	6,336	2,334
Veeco Instruments Inc	99	37 221	3,685	2,935	750
Verizon Communications	100	46 675	4,668	2,282	2,386
Visa, Inc Class A	47	191 1	8,982	3,484	5,498
Vodafone Group PLC Spons ADR	288	35 18	10,132	6,652	3,480
Wal-Mart Stores, Inc	90	73 96	6,656	6,497	159
Wal-Mart Stores, Inc	202	73 96	14,940	11,673	3,267
Walt Disney Company	205	64 49	13,220	4,862	8,358
Walt Disney Company	120	64 49	7,739	2,134	5,604
Waste Management Inc Delaware	224	41 24	9,238	7,137	2,100
Wells Fargo & Company New	131	41 32	5,413	3,724	1,688
Weyerhaeuser Company	163	28 63	4,667	2,684	1,983
Total Corporate Stocks			***1,130,347***	***808,405***	***321,942***
TOTAL SECURITIES			**1,936,684**	**1,501,440**	**435,244**

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 9

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