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

2014

Department of the Treasury
Internal Revenue Service

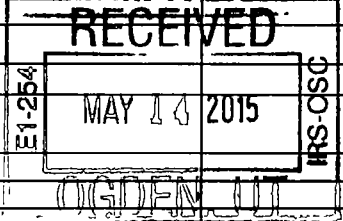
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Open to Public Inspection

For calendar year 2014, or tax year beginning 2014, and ending

Name of foundation SCHUG FOUNDATION c/o PEGGY COBB SCHUG		A Employer identification number 56-6583795
Number and street (or P O box number if mail is not delivered to street address) 7013 ERIN COURT		B Telephone number (see instructions) (704) 552-0474
City or town, state or province, country, and ZIP or foreign postal code CHARLOTTE NC 28210-4906		C If exemption application is pending, check here . . . <input type="checkbox"/>
G Check all that apply		D 1 Foreign organizations, check here <input type="checkbox"/>
<input type="checkbox"/> Initial return	<input type="checkbox"/> Initial return of a former public charity	2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
<input type="checkbox"/> Final return	<input type="checkbox"/> Amended return	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
<input type="checkbox"/> Address change	<input type="checkbox"/> Name change	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation		
<input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		
I Fair market value of all assets at end of year (from Part II, column (c), line 16) ▶ \$ 1,133,857.		
J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis)		

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
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))				
1 Contributions, gifts, grants, etc., received (attach schedule)				
2 Ck ▶ <input checked="" type="checkbox"/> if the foundn is not required to attach Sch B				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities	24,934.			
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10				
b Gross sales price for all assets on line 6a				
7 Capital gain net income (from Part IV, line 2)		134,763.		
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) (attach schedule)				
11 Other income (attach schedule)				
VOIDED CHECK DEDUCTED IN A PREVIOUS YEAR	1,500.			
12 Total Add lines 1 through 11.	26,434.	134,763.		
13 Compensation of officers, directors, trustees, etc.				
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach sch)				
c Other prof fees (attach sch) . . L-16c Stmt.	19,850.	7,425.		
17 Interest	3.	3.		
18 Taxes (attach schedule)(see instrs) FOREIGN TAXES WITHHELD.	135.	135.		
19 Depreciation (attach sch) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule)				
INVESTMENT FEES	132.	132.		
24 Total operating and administrative expenses. Add lines 13 through 23	20,120.	7,695.		
25 Contributions, gifts, grants paid	195,905.			
26 Total expenses and disbursements Add lines 24 and 25	216,025.	7,695.		
27 Subtract line 26 from line 12.				
a Excess of revenue over expenses and disbursements	-189,591.			
b Net investment income (if negative, enter -0-).		127,068.		
c Adjusted net income (if negative, enter -0-).				



SCANNED MAY 18 2015

REVENUE

ADMINISTRATIVE AND EXPENSES

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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		1,689.	1,684.	1,684.
	2	Savings and temporary cash investments		41,935.	77,107.	77,107.
	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 sch)				
		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 (attach schedule)				
		b Investments — corporate stock (attach schedule) L-10b. Stmt		826,062.	675,835.	675,835.
		c Investments — corporate bonds (attach schedule) L-10c. Stmt		388,801.	379,231.	379,231.
	11	Investments — land, buildings, and equipment basis				
	Less: accumulated depreciation (attach schedule)					
12	Investments — mortgage loans					
13	Investments — other (attach schedule)					
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)		1,258,487.	1,133,857.	1,133,857.	
LIABILITIES	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, & other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe)				
	23	Total liabilities (add lines 17 through 22)				
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.		<input type="checkbox"/>			
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.		<input checked="" type="checkbox"/>			
	27	Capital stock, trust principal, or current funds				
	28	Paid-in or capital surplus, or land, bldg, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds		1,258,487.	1,133,857.	
30	Total net assets or fund balances (see instructions)		1,258,487.	1,133,857.		
31	Total liabilities and net assets/fund balances (see instructions)		1,258,487.	1,133,857.		

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 1,258,487.
2	Enter amount from Part I, line 27a	2 -189,591.
3	Other increases not included in line 2 (itemize) <u>UNREALIZED APPRECIATION</u>	3 64,961.
4	Add lines 1, 2, and 3	4 1,133,857.
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 1,133,857.

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 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a CAPITAL GAIN DISTRIBUTIONS	P	Various	Various
b SEE ATTACHED SCHEDULE	P	Various	Various
c SPDR GOLD TR	P	Various	12/31/14
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 9,905.		0.	9,905.
b 367,417.		242,570.	124,847.
c 11.		0.	11.
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a 0.	0.	0.	9,905.
b 0.	0.	0.	124,847.
c 0.	0.	0.	11.
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	134,763.
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 (column (b) divided by column (c))
2013	158,628.	1,249,933.	0.126909
2012	164,809.	1,275,128.	0.129249
2011	140,458.	1,357,349.	0.103480
2010	131,392.	1,228,474.	0.106955
2009	116,401.	1,091,657.	0.106628

2 Total of line 1, column (d)	2	0.573221
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	0.114644
4 Enter the net value of noncharitable-use assets for 2014 from Part X, line 5.	4	1,181,499.
5 Multiply line 4 by line 3	5	135,452.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,271.
7 Add lines 5 and 6.	7	136,723.
8 Enter qualifying distributions from Part XII, line 4	8	195,905.

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)

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary – see instrs)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	1,271.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	1,271.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	1,271.
6 Credits/Payments			
a 2014 estimated tax pmts and 2013 overpayment credited to 2014	6 a		1,806.
b Exempt foreign organizations – tax withheld at source	6 b		
c Tax paid with application for extension of time to file (Form 8868)	6 c		
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments Add lines 6a through 6d	7		1,806.
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		535.
11 Enter the amount of line 10 to be Credited to 2015 estimated tax 535. Refunded	11		

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)?		X
<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>		
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?		
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, column (c), and Part XV.</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) <u>NC - North Carolina</u>		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If 'No,' attach explanation</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2014 or the taxable year beginning in 2014 (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? Website address ▶ N/A	13	X	
14	The books are in care of ▶ PHILLIPS BRAGG Telephone no. ▶ (704) 377-0261 Located at ▶ 1031 S. CALDWELL ST., STE. 200 CHARLOTTE, NC ZIP + 4 ▶ 28203			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 – Check here ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year ▶ 15			
16	At any time during calendar year 2014, 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 FinCEN Form 114, (formerly 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
1 a	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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? <input type="checkbox"/> Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>	1 b	
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 2014?	1 c	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 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.)	2 b	X
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 __		
3 a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If 'Yes,' did it have excess business holdings in 2014 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 2014.)	3 b	
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	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 2014?	4 b	X

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

5 a 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 4945(d)(4)(A)? (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)? Yes No **5 b**

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)

6 a 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? Yes No **6 b** X

If 'Yes' to 6b, file Form 8870

7 a 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? Yes No **7 b**

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
JOHN B. SCHUG 7013 ERIN COURT CHARLOTTE NC 28210	TRUSTEE 2.00	0.	0.	0.
PEGGY C. SCHUG 7013 ERIN COURT CHARLOTTE NC 28210	TRUSTEE 2.00	0.	0.	0.

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				

Total number of other employees paid over \$50,000 None

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 ▶		None

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 ▶	

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	1 a	1,160,825.
b Average of monthly cash balances	1 b	38,666.
c Fair market value of all other assets (see instructions)	1 c	
d Total (add lines 1a, b, and c)	1 d	1,199,491.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e	
2 Acquisition indebtedness applicable to line 1 assets	2	
3 Subtract line 2 from line 1d	3	1,199,491.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	17,992.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,181,499.
6 Minimum investment return. Enter 5% of line 5	6	59,075.

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	59,075.
2 a Tax on investment income for 2014 from Part VI, line 5	2 a	1,271.
b Income tax for 2014 (This does not include the tax from Part VI)	2 b	
c Add lines 2a and 2b	2 c	1,271.
3 Distributable amount before adjustments Subtract line 2c from line 1	3	57,804.
4 Recoveries of amounts treated as qualifying distributions	4	1,500.
5 Add lines 3 and 4	5	59,304.
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	59,304.

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	1 a	195,905.
b Program-related investments – total from Part IX-B	1 b	
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)	3 a	
b Cash distribution test (attach the required schedule)	3 b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	195,905.
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	1,271.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	194,634.

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 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7				59,304.
2 Undistributed income, if any, as of the end of 2014				
a Enter amount for 2013 only			0.	
b Total for prior years 20 __, 20 __, 20 __				
3 Excess distributions carryover, if any, to 2014:				
a From 2009	67,611.			
b From 2010	73,867.			
c From 2011	73,749.			
d From 2012	102,129.			
e From 2013	97,925.			
f Total of lines 3a through e	415,281.			
4 Qualifying distributions for 2014 from Part XII, line 4: ▶ \$ 195,905.				
a Applied to 2013, 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 2014 distributable amount				59,304.
e Remaining amount distributed out of corpus	136,601.			
5 Excess distributions carryover applied to 2014 (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	551,882.			
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		0.		
e Undistributed income for 2013. Subtract line 4a from line 2a. Taxable amount — see instructions			0.	
f Undistributed income for 2014. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2015				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required — see instructions)				
8 Excess distributions carryover from 2009 not applied on line 5 or line 7 (see instructions)	67,611.			
9 Excess distributions carryover to 2015. Subtract lines 7 and 8 from line 6a	484,271.			
10 Analysis of line 9				
a Excess from 2010	73,867.			
b Excess from 2011	73,749.			
c Excess from 2012	102,129.			
d Excess from 2013	97,925.			
e Excess from 2014	136,601.			

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 2014, 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				(e) Total
	(a) 2014	(b) 2013	(c) 2012	(d) 2011	
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))

PEGGY SCHUG

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 address of the person to whom applications should be addressed.

PHILLIPS M. BRAGG
1031 S. CALDWELL ST., STE. 200
CHARLOTTE NC 28203 (704) 377-0261

b The form in which applications should be submitted and information and materials they should include:

THE SCHUG FOUNDATION SCHOLARSHIP APPLICATION

c Any submission deadlines

APPLICATION DEADLINE FOR NEW APPLICANTS IS APRIL 30 OF EACH YEAR.

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

SCHOLARSHIPS AWARDED TO N.C. RESIDENTS AND TO THE EXTENT FEASIBLE, PREFERENCE FOR SCHOLARSHIPS GIVEN TO RESIDENTS OF MECKLENBURG, HAYWOOD OR JACKSON COUNTIES.

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
<i>a Paid during the year</i>				
NATHAN HAMPTON 143 RAINBOW STREET WAYNESVILLE NC 28786	NONE	GOOD	UNC-CHARLOTTE TUITION UNC CHARLOTTE	3,000.
CAROLINE LEDFORD 276 FARLEY ST. WAYNESVILLE NC 28786	NONE	GOOD	TUITION WESTERN CAROLINA UNIV.	1,000.
CHELSEA CARPENTER 345 LOW GAP ROAD MAGGIE VALLEY NC 28751	NONE	GOOD	TUITION LIBERTY UNIVERSITY	1,000.
DUSTIN WELLS 78 LITTLE CREEK LANE MAGGIE VALLEY NC 28751	NONE	GOOD	TUITION UNC GREENSBORO	1,000.
MEGAN GRISSOM 8301 KIRKSTONE COURT CHARLOTTE NC 28216	NONE	GOOD	TUITION DAVIDSON COLLEGE	1,500.
MEGAN MCLEOD 121 MERRIE WAY WAYNESVILLE NC 28786	NONE	GOOD	TUITION APPALACHIAN STATE	1,000.
ALEXANDRA MEDFORD 172 ROUND TOP ROAD WAYNESVILLE NC 28785	NONE	GOOD	TUITION NC A&T STATE UNIV.	1,500.
BIANCA MOORE 936 BURTONWOOD CIRCLE CHARLOTTE NC 28212	NONE	GOOD	TUITION APPALCHIAN STATE	3,000.
BLAKE JONES 178 AUBURN PARK DRIVE WAYNESVILLE NC 28786	NONE	GOOD	TUITION	4,500.
See Line 3a statement				
Total ▶ 3 a				178,405.
b Approved for future payment				
Total ▶ 3 b				

Form 990-PF, Page 11, Part XV, line 3a

Line 3a statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Founda- tion status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox	
				Person or Business	Amount
a Paid during the year					
CATHERINE MESSER 278 GRANDVIEW CIRCLE WAYNESVILLE NC 28786	NONE	GOOD	HAYWOOD COMM. COLLEGE TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/>	2,000.
CHEASLEI WEATHERS 319 BENJAMIN STREET CHARLOTTE NC 28203	NONE	GOOD	NC A&T STATE UNIV. TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/>	1,500.
DANIEL SETH HARDIN 2295 JONATHAN CREEK RD WAYNESVILLE NC 28785	NONE	GOOD	UNC CHARLOTTE TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/>	3,000.
EDWARD OLIVER MARTH 347 BALSAM DRIVE WAYNESVILLE NC 28786	NONE	GOOD	UNC CHAPEL HILL TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/>	4,500.
FREDERICK PEOPLES 7101 IDLEWILD BROOKE LANE CHARLOTTE NC 28212	NONE	GOOD	NC CENTRAL UNIV. TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/>	3,000.
MAKAYLA WHITE 536 RED BANK ROAD WAYNESVILLE NC 28786	NONE	GOOD	APPALCHIAN STATE UNIV. TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/>	1,500.
VICTOR MOORE 1721 HOLLIFORD COURT CHARLOTTE NC 28215	NONE	GOOD	CATAWBA VALLEY COMM. TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/>	2,000.
JORDAN PRESNELL 247 4TH STREET WAYNESVILLE NC 28786	NONE	GOOD	UNC ASHEVILLE TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/>	3,000.
JOSHUA MESSER 392 COMPROMISE DRIVE WAYNESVILLE NC 28785	NONE	GOOD	MARS HILL COLLEGE TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/>	3,000.
KENDRA KIRKPATRICK 250 TIPP FIELD LANE CLYDE NC 28721	NONE	GOOD	APPALACHIAN STATE TUITION & LAPTOP	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/>	4,500.
EMILY MASON 449 ASSEMBLY STREET WAYNESVILLE NC 28786	NONE	GOOD	APPALACHIAN STATE TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/>	2,709.
TAYLOR FISHER 154 SHULER DRIVE MAGGIE VALLEY NC 28751	NONE	GOOD	UNC CHARLOTTE TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/>	3,000.
SARAH ROGERS 1299 FERN TRAIL WAYNESVILLE NC 28786	NONE	GOOD	NC STATE TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/>	4,500.
ALYSSA SORRELLS 81 KIMBERLY LANE WAYNESVILLE NC 28786	NONE	GOOD	WESTERN CAROLINA TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/>	3,000.
MARIA RIVERA P.O. BOX 668 HAZELWOOD NC 28738	NONE	GOOD	APPALACHIAN STATE TUITION	Person or <input checked="" type="checkbox"/> Business <input type="checkbox"/>	1,500.

Form 990-PF, Page 11, Part XV, line 3a

Continued

Line 3a statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Founda- tion status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox	
				Amount	
a Paid during the year					
SYDNEY WAY ----- 2813 SLOAN DRIVE ----- CHARLOTTE NC 28208	NONE	GOOD	UNC CHARLOTTE ----- TUITION	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 3,000.
SHACOYA LOTHERY ----- 906 BEDROCK ROAD ----- CHARLOTTE NC 28270	NONE	GOOD	WINSTON SALEM STATE ----- TUITION	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 3,000.
GLORY BIENVENUE ----- 2708 FLINTRIDGE DRIVE ----- CHARLOTTE NC 28212	NONE	GOOD	WINSTON SALEM STATE ----- TUITION	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 3,000.
FREDDY YODI ----- 7015 MARLBROOK DRIVE ----- CHARLOTTE NC 28212	NONE	GOOD	CENTRAL PIEDMONT COMM. COLLEGE ----- TUITION & BOOKS	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 1,000.
GARDY SWENGBE ----- 6601 FARMINGDALE DRIVE ----- CHARLOTTE NC 28212	NONE	GOOD	NC A&T UNIV. ----- TUITION	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 4,500.
BRENDON DAVIS ----- 141 WAVERLY HALL DRIVE ----- CHARLOTTE NC 28211	NONE	GOOD	WINSTON SALEM STATE ----- TUITION	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 1,000.
SUEHIER ALI ----- 1613 BEAR BROOK DRIVE ----- CHARLOTTE NC 28214	NONE	GOOD	ELIZABETH CITY STATE UNIV. ----- TUITION	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 2,000.
BRANNON JONES ----- 209 GRANDIN ROAD ----- CHARLOTTE NC 28208	NONE	GOOD	UNC CHARLOTTE ----- TUITION	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 3,000.
GRACIA SHEMBO ----- 4845 ASHLEY PARK LN., APT. 315 ----- CHARLOTTE NC 28210	NONE	GOOD	UNC CHARLOTTE ----- TUITION	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 2,000.
JORDAN MCCRACKEN ----- 72 JORDAN DRIVE ----- WAYNESVILLE NC 28786	NONE	GOOD	APPALACHIAN STATE ----- TUITION & BOOKS	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 1,832.
NAJEE BROWN ----- 7328 MOSSBOROUGH CT. ----- CHARLOTTE NC 28227	NONE	GOOD	EAST CAROLINA UNIV. ----- TUITION	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 3,000.
JEAN SKELTON ----- 166 AZALEA DRIVE ----- WAYNESVILLE NC 28786	NONE	GOOD	UNC CHAPEL HILL ----- TUITION	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 1,500.
ELIZABETH HAYNES ----- 114 AUBURN ROAD ----- WAYNESVILLE NC 28786	NONE	GOOD	WESTERN CAROLINA UNIV. ----- TUITION	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 3,000.
HOPE MOODY ----- 45 GATEWOOD DRIVE ----- CLYDE NC 28721	NONE	GOOD	EAST CAROLINA UNIV. ----- TUITION	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 3,000.
RACHEL CLARK ----- 53 CLARK ROAD ----- CLYDE NC 28721	NONE	GOOD	MARS HILL UNIV. ----- TUITION	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 3,000.

Form 990-PF, Page 11, Part XV, line 3a

Continued

Line 3a statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Founda- tion status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox	
				Amount	
a Paid during the year					
SHELBY CLARK 123 PRETTY VIEW LANE WAYNESVILLE NC 28785	NONE	GOOD	TUITION AND BOOKS	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 3,276.
THOMAS HAY 234 BRAMLETT DRIVE WAYNESVILLE NC 28785	NONE	GOOD	WARREN WILSON COLLEGE BOOKS	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 348.
LINDSAY BARTH 181 AZALEA DRIVE WAYNESVILLE NC 28786	NONE	GOOD	UNC - CHAPEL HILL TUITION	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 3,000.
BRANSON TAYLOR MCMULLEN 216 ACORN LANE CLYDE NC 28721	NONE	GOOD	WESTERN CAROLINA UNIV. TUITION & BOOKS	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 3,000.
JARED RIGDON P.O. BOX 224 HAZELWOOD NC 28738	NONE	GOOD	WESTERN CAROLINA UNIV. TUITION	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 4,500.
SYDNEY KAPSALIS 2889 BEAVERDAM ROAD CANTON NC 28716	NONE	GOOD	APPALACHIAN STATE UNIV. TUITION	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 3,000.
BRIANNA WALTON 10204 ASHLEY FARMS DRIVE MATHEWS NC 28105	NONE	GOOD	WINSTON SALEM STATE UNIV. TUITION	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 3,000.
JENNY WEST 1191 DIX TRAIL WAYNESVILLE NC 28785	NONE	GOOD	EAST TN STATE UNIV. TUITION & BOOKS	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 2,840.
JEFFREY COOPER 8649 BROOKINGS DRIVE CHARLOTTE NC 28269	NONE	GOOD	UNC - CHAPEL HILL TUITION	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 1,378.
LINA NGUYEN 6134 WHITEWATER DRIVE CHARLOTTE NC 28214	NONE	GOOD	QUEENS UNIV. TUITION & BOOKS	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 1,835.
CAMERON DAVIS 1512 CEDARWOOD LANE CHARLOTTE NC 28212	NONE	GOOD	UNC - GREENSBORO TUITION	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 3,000.
MALIK BLACK 9224 SHACKLEFORD TERRACE CHARLOTTE NC 28227	NONE	GOOD	WINSTON SALEM STATE UNIV. TUITION	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 3,000.
JAMAL SINCLAIR 6711 REDDMAN ROAD CHARLOTTE NC 27212	NONE	GOOD	NORTH CAROLINA A&T STATE UNIV. TUITION	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 3,000.
KI'SHANA LIVINGSTON 8719 IDLEWILD ROAD CHARLOTTE NC 28227	NONE	GOOD	NORTH CAROLINA A&T STATE UNIV. TUITION & LAPTOP	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 3,500.
CAMAYA MILLER 9616 VINCA CIRCLE, UNIT C CHARLOTTE NC 28213	NONE	GOOD	ELON UNIVERSITY TUITION & BOOKS	Person or Business	<input checked="" type="checkbox"/> <input type="checkbox"/> 3,000.

Form 990-PF, Page 11, Part XV, line 3a

Continued

Line 3a statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Founda- tion status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox	
				Amount	
a Paid during the year					
MALOREE BURGIN ----- 61 CIDER LANE WAYNESVILLE NC 28786	NONE	GOOD	UNC CHARLOTTE ----- TUITION & LAPTOP	Person or <input checked="" type="checkbox"/>	Business <input type="checkbox"/> 2,000.
AMELIA MACDONALD ----- 73 HEART LANE MAGGIE VALLEY NC 28751	NONE	GOOD	WARREN WILSON COLLEGE ----- BOOKS	Person or <input checked="" type="checkbox"/>	Business <input type="checkbox"/> 137.
ISAAC SLUDER ----- 4735 JOHNATHAN CREEK ROAD WAYNESVILLE NC 28785	NONE	GOOD	UNC CHARLOTTE ----- TUITION & LAPTOP	Person or <input checked="" type="checkbox"/>	Business <input type="checkbox"/> 2,000.
ROSS BUCHANAN ----- 148 PLAYGROUND STREET WAYNESVILLE NC 28786	NONE	GOOD	UNC ASHEVILLE ----- TUITION & LAPTOP	Person or <input checked="" type="checkbox"/>	Business <input type="checkbox"/> 2,000.
BAILEY HILL ----- 416 PENLAND STREET CLYDE NC 28721	NONE	GOOD	UNC CHAPEL HILL ----- TUITION & LAPTOP	Person or <input checked="" type="checkbox"/>	Business <input type="checkbox"/> 3,500.
EDWARD L. CORNWELL, JR. ----- 280 LITTLETON ROAD LAKE JUNALUSKA NC 28745	NONE	GOOD	NC STATE UNIV. ----- TUITION & LAPTOP	Person or <input checked="" type="checkbox"/>	Business <input type="checkbox"/> 2,000.
NOLAN ROSS ----- 955 ALLENS CREEK ROAD WAYNESVILLE NC 28786	NONE	GOOD	GUILFORD COLLEGE ----- TUITION	Person or <input checked="" type="checkbox"/>	Business <input type="checkbox"/> 1,500.
STEVEN BOTTOMS ----- 232 GLANCE COVE ROAD CLYDE NC 28721	NONE	GOOD	NC STATE UNIV. ----- TUITION & LAPTOP	Person or <input checked="" type="checkbox"/>	Business <input type="checkbox"/> 3,500.
JESSE ROSS ----- 955 ALLENS CREEK ROAD WAYNESVILLE NC 28786	NONE	GOOD	QUEENS UNIVERSITY ----- TUITION	Person or <input checked="" type="checkbox"/>	Business <input type="checkbox"/> 1,500.
ADAM CHAMBERS ----- 349 CRAWFORD ROAD WAYNESVILLE NC 28785	NONE	GOOD	WESTERN CAROLINA UNIV. ----- TUITION & LAPTOP	Person or <input checked="" type="checkbox"/>	Business <input type="checkbox"/> 3,500.
JULIA SKELTON ----- 166 AZALEA DRIVE WAYNESVILLE NC 28786	NONE	GOOD	UNC CHAPEL HILL ----- TUITION & BOOKS	Person or <input checked="" type="checkbox"/>	Business <input type="checkbox"/> 3,000.
MARGARET ROGERS ----- 1299 FERN TRAIL WAYNESVILLE NC 28786	NONE	GOOD	NC STATE UNIV. ----- TUITION & BOOKS	Person or <input checked="" type="checkbox"/>	Business <input type="checkbox"/> 3,500.
SALINA DICKIE ----- 224 SHORT RIDGE LANE CLYDE NC 28721	NONE	GOOD	UNC CHARLOTTE ----- TUITION & LAPTOP	Person or <input checked="" type="checkbox"/>	Business <input type="checkbox"/> 5,000.
LAURA PARKS ----- 149 CLEMENT DRIVE WAYNESVILLE NC 28786	NONE	GOOD	APPALACHIAN STATE UNIV. ----- TUITION & LAPTOP	Person or <input checked="" type="checkbox"/>	Business <input type="checkbox"/> 3,500.
BENJAMIN SEARS ----- P.O. BOX 602 CLYDE NC 28721	NONE	GOOD	WESTERN CAROLINA UNIV. ----- TUITION	Person or <input checked="" type="checkbox"/>	Business <input type="checkbox"/> 3,000.

Form 990-PF, Page 11, Part XV, line 3a

Continued

Line 3a statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Founda- tion status of re- cipient	Purpose of grant or contribution	Person or Business Checkbox	
				Amount	
a Paid during the year					
EMILY DOVER 230 BOOMER RUN DRIVE WAYNESVILLE NC 28785	NONE	GOOD	WESTERN CAROLINA UNIV. TUITION & LAPTOP	Person or Business	<input checked="" type="checkbox"/> X <input type="checkbox"/>
				3,500.	
ANJELICA PENDERGRASS 11135 SHANDON WAY LANE CHARLOTTE NC 28262	NONE	GOOD	WINSTON SALEM STATE UNIV. TUITION & LAPTOP	Person or Business	<input checked="" type="checkbox"/> X <input type="checkbox"/>
				2,000.	
ASHLEY WALKER 6517 YATESWOOD DRIVE, #F CHARLOTTE NC 28212	NONE	GOOD	UNC GREENSBORO BOOKS	Person or Business	<input checked="" type="checkbox"/> X <input type="checkbox"/>
				550.	
EVANDER POITAN 9505 ISAAC HUNTER DRIVE CHARLOTTE NC 28214	NONE	GOOD	NC CENTRAL UNIV. TUITION & LAPTOP	Person or Business	<input checked="" type="checkbox"/> X <input type="checkbox"/>
				2,000.	
MILAUN BROWN 1612 LUTHER ST., APT. A CHARLOTTE NC 28204	NONE	GOOD	WINSTON SALEM STATE UNIV. TUITION & LAPTOP	Person or Business	<input checked="" type="checkbox"/> X <input type="checkbox"/>
				2,000.	
CARLTON FABIEN 3119 BENNETT NEELY LANE CHARLOTTE NC 28269	NONE	GOOD	FAYETTEVILLE STATE UNIV. TUITION	Person or Business	<input checked="" type="checkbox"/> X <input type="checkbox"/>
				1,500.	
IMARI WEATHERS 604 FAIRWOOD AVENUE CHARLOTTE NC 28203	NONE	GOOD	A&T STATE UNIVERSITY TUITION	Person or Business	<input checked="" type="checkbox"/> X <input type="checkbox"/>
				1,500.	
ROMAYA ROBINSON 3352 GRIFFITH STREET CHARLOTTE NC 28203	NONE	GOOD	WINSTON SALEM STATE UNIV. TUITION & LAPTOP	Person or Business	<input checked="" type="checkbox"/> X <input type="checkbox"/>
				3,500.	

Total

178,405.

Form 990-PF, Page 1, Part I

Line 16c - Other Professional Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
BRAGG FINANCIAL ADVISORS, INC.	INVESTMENT ADVISORY FEES	7,425.			
BRAGG FINANCIAL ADVISORS, INC.	ADMINISTRATION FEES	12,425.			

Total

19,850.

Form 990-PF, Page 2, Part II, Line 10b

L-10b Stmt

Line 10b - Investments - Corporate Stock:	End of Year	
	Book Value	Fair Market Value
SEE SCHEDULE	675,835.	675,835.
Total	<u>675,835.</u>	<u>675,835.</u>

Form 990-PF, Page 2, Part II, Line 10c

L- 10c Stmt

Line 10c - Investments - Corporate Bonds:	End of Year	
	Book Value	Fair Market Value
SEE SCHEDULE	379,231.	379,231.
Total	<u>379,231.</u>	<u>379,231.</u>

Realized Gains and Losses

Fiscal Year Ending 12/31/2014

Schug Foundation Foundation Account Acct #: 5QR001239
 7013 Erin Court
 Charlotte, NC 28210-4906

Realized Gains and Losses

Description	Quantity	Date		Cost	Net Proceeds	Short Term Gains	Total Long Gains	Total Gains
		Acquired	Date Sold					
Abbvie Inc Com	170.000	10/11/2004	11/18/2014	3,651.62	11,220.30		7,568.68	7,568.68
American Express	60.000	10/14/2008	06/27/2014	1,754.09	5,682.17		3,928.08	3,928.08
Automatic Data Processing	165.000	10/14/2008	06/27/2014	5,895.90	13,102.60		7,206.70	7,206.70
Becton Dickinson &	55.000	12/03/2003	11/18/2014	2,229.84	7,183.89		4,954.05	4,954.05
Brown Forman Class B	150.000	10/17/2005	11/18/2014	4,671.80	14,101.98		9,430.18	9,430.18
C. R. Bard, Inc.	40.000	03/06/2009	06/27/2014	2,928.32	5,759.77		2,831.45	2,831.45
Clorox Co	110.000	03/06/2009	03/25/2014	5,105.15	9,596.13		4,490.98	4,490.98
Dominion Res Inc Va	55.000	09/07/2007	01/09/2014	2,339.70	3,637.03		1,297.33	1,297.33
EMC Corp	400.000	03/06/2009	07/28/2014	3,917.41	11,831.23		7,913.82	7,913.82
Europacific Growth F	101.873	12/03/2003	01/10/2014	2,975.68	4,965.90		1,990.22	1,990.22
Europacific Growth F	103.087	09/26/2006	01/10/2014	4,714.88	5,025.10		310.22	310.22
	204.960			7,690.56	9,991.00		2,300.44	2,300.44
Europacific Growth F	61.135	09/26/2006	11/18/2014	2,796.12	2,977.37		181.25	181.25
Europacific Growth F	172.993	09/07/2007	11/18/2014	8,759.00	8,425.03		-333.97	-333.97
	234.128			11,555.12	11,402.40		-152.72	-152.72
	439.088			19,245.68	21,393.40		2,147.72	2,147.72
Europacific Growth F-2	489.396	03/06/2009	11/18/2014	11,190.69	23,991.00		12,800.31	12,800.31
Exxon Mobil Corp	20.000	06/26/2001	06/27/2014	894.62	2,020.75		1,126.13	1,126.13
Exxon Mobil Corp	30.000	12/03/2003	06/27/2014	1,103.30	3,031.13		1,927.83	1,927.83
	50.000			1,997.92	5,051.88		3,053.96	3,053.96
Firstenergy Corp	60.000	11/01/2006	07/28/2014	3,563.40	1,939.12		-1,624.28	-1,624.28
Firstenergy Corp	100.000	04/20/2011	07/28/2014	3,912.21	3,231.86		-680.35	-680.35
	160.000			7,475.61	5,170.98		-2,304.63	-2,304.63
Harbor Intl	4.036	09/11/2007	06/27/2014	278.15	298.54		20.39	20.39
Harbor Intl	76.958	03/03/2008	06/27/2014	5,100.09	5,692.46		592.37	592.37
	80.994			5,378.24	5,991.00		612.76	612.76
Harbor Intl	12.206	03/03/2008	11/18/2014	808.91	833.46		24.55	24.55
Harbor Intl	220.556	10/14/2008	11/18/2014	10,009.00	15,060.11		5,051.11	5,051.11

Realized Gains and Losses

Fiscal Year Ending 12/31/2014

Schug Foundation Foundation Account Acct #. 5QR001239

Realized Gains and Losses

Description	Quantity	Date		Cost	Net Proceeds	Short Term Gains	Total Long Gains	Total Gains
		Acquired	Date Sold					
Harbor Intl	279.683	03/06/2009	11/18/2014	8,476.09	19,097.43		10,621.34	10,621.34
	512.445			19,294.00	34,991.00		15,697.00	15,697.00
	593.439			24,672.24	40,982.00		16,309.76	16,309.76
Home Depot Inc	70.000	06/26/2001	06/27/2014	3,383.45	5,667.07		2,283.62	2,283.62
Intel Corp	120.000	12/19/2001	07/28/2014	4,084.10	4,103.15		19.05	19.05
Intel Corp	120.000	12/03/2003	07/28/2014	4,126.02	4,103.14		-22.88	-22.88
Intel Corp	95.000	03/06/2009	07/28/2014	1,159.99	3,248.33		2,088.34	2,088.34
	335.000			9,370.11	11,454.62		2,084.51	2,084.51
Queens Road Small Val	429.738	03/06/2009	01/09/2014	4,036.13	9,991.00		5,954.87	5,954.87
Queens Road Small Val	543.706	03/06/2009	11/18/2014	5,106.53	12,991.00		7,884.47	7,884.47
	973.444			9,142.66	22,982.00		13,839.34	13,839.34
SPDR Gold Trust	100.000	03/06/2009	03/25/2014	9,245.30	12,630.34		3,385.04	3,385.04
T R Price Mid Cap Value	152.022	05/12/2003	06/27/2014	2,387.24	4,991.00		2,603.76	2,603.76
T R Price Mid Cap Value	152.300	05/12/2003	11/18/2014	2,391.60	4,991.00		2,599.40	2,599.40
	304.322			4,778.84	9,982.00		5,203.16	5,203.16
Twenty-First Centy Fox Inc Cl	150.000	02/01/2006	11/18/2014	2,103.28	5,270.13		3,166.85	3,166.85
Valero Energy	85.000	11/12/2007	01/09/2014	5,340.87	4,467.74		-873.13	-873.13
Valero Energy	60.000	03/03/2008	01/09/2014	3,190.42	3,153.70		-36.72	-36.72
	145.000			8,531.29	7,621.44		-909.85	-909.85
Vanguard Explorer	48.355	12/03/2003	06/27/2014	3,133.04	5,091.00		1,957.96	1,957.96
Vanguard Fixed Inc High Yield	1,459.016	11/01/2006	03/25/2014	8,990.95	8,891.00		-99.95	-99.95
Vanguard Fixed Inc High Yield	912.106	11/01/2006	11/18/2014	5,620.70	5,491.00		-129.70	-129.70
	2,371.122			14,611.65	14,382.00		-229.65	-229.65
Vanguard GNMA	1,772.512	03/06/2009	03/25/2014	18,775.73	18,691.00		-84.73	-84.73
Vanguard GNMA	865.826	03/06/2009	06/27/2014	9,171.45	9,283.73		112.28	112.28
Vanguard GNMA	317.771	04/28/2010	06/27/2014	3,410.71	3,407.27		-3.44	-3.44
	1,183.597			12,582.16	12,691.00		108.84	108.84
	2,956.109			31,357.89	31,382.00		24.11	24.11

Realized Gains and Losses
Fiscal Year Ending 12/31/2014

Schug Foundation Foundation Account Acct #. 5QR001239

Realized Gains and Losses

<u>Description</u>	<u>Quantity</u>	<u>Date Acquired</u>	<u>Date Sold</u>	<u>Cost</u>	<u>Net Proceeds</u>	<u>Short Term Gains</u>	<u>Total Long Gains</u>	<u>Total Gains</u>
Vanguard Inflation Protected Se	417.288	12/05/2003	11/18/2014	5,217.86	5,591.00		373.14	373.14
Vanguard Interm-Trm Corp	1,414.141	12/05/2003	11/18/2014	14,442.28	13,991.00		-451.28	-451.28
Vanguard ST Govt	1,016.492	09/11/2007	06/27/2014	10,577.86	10,918.29		340.43	340.43
Vornado Rlty Tr	70.000	11/24/2004	03/25/2014	5,107.50	6,833.53		1,726.03	1,726.03
Vornado Rlty Tr	2.000	03/13/2009	03/25/2014	66.50	195.25		128.75	128.75
	<u>72.000</u>			<u>5,174.00</u>	<u>7,028.78</u>		<u>1,854.78</u>	<u>1,854.78</u>
Walgreen Stores	240.000	09/07/2007	06/26/2014	10,721.46	17,798.35		7,076.89	7,076.89
Wells Fargo & Co	130.000	12/03/2003	11/18/2014	3,703.42	6,922.89		3,219.47	3,219.47
Short Term Gains								
Total Long Gains				242,570.36	367,417.27		124,846.91	
Total (Sales)				242,570.36	367,417.27		124,846.91	124,846.91
Total Gains							124,846.91	124,846.91

Portfolio Holdings

As of 12/31/2014

Schug Foundation Foundation Account Acct #: 5QR001239
 7013 Ern Court
 Charlotte, NC 28210-4906

Description	Symbol	Quantity	Trade Date	Current Value	Cost Basis	Unrealized Gain (Loss)	% G/L	Maturity Date
US Large Cap								
TECHNOLOGY								
Apple Computer Inc	AAPL	100	06/26/2014	11,038.00	9,090	1,948	21.4%	
Cisco Systems Inc	CSCO	390	11/01/2006	10,847.85	9,512	1,336	14.0%	
EMC Corp	EMC	290	03/06/2009	8,624.60	2,840	5,784	203.7%	
IBM	IBM	70	09/07/2007	11,230.80	8,135	3,095	38.0%	
Intel Corp	INTC	250	03/06/2009	9,072.50	3,053	6,020	197.2%	
Microsoft Corp	MSFT	300	10/31/2001	13,935.00	8,437	5,498	65.2%	
Oracle Corp	ORCL	270	12/03/2003	12,141.90	3,548	8,594	242.2%	
Texas Instruments	TXN	225	12/08/2010	12,029.63	7,494	4,536	60.5%	
				88,920.28	52,109	36,812	70.6%	
FINANCIAL								
American Express	AXP	130	10/14/2008	12,095.20	3,801	8,295	218.3%	
Bank Of New York Co	BK	300	12/08/2010	12,171.00	8,551	3,620	42.3%	
Chubb Corp	CB	100	03/06/2009	10,347.00	3,531	6,816	193.0%	
Price T Rowe Group Inc	TROW	140	11/24/2004	12,020.40	4,163	7,857	188.7%	
Progressive Corp Of	PGR	325	03/06/2009	8,771.75	3,358	5,414	161.2%	
Wells Fargo & Co	WFC	190	12/03/2003	10,415.80	5,413	5,003	92.4%	
				65,821.15	28,816	37,005	128.4%	
HEALTH CARE								
Amgen Inc	AMGN	80	12/08/2010	12,743.20	4,262	8,481	199.0%	
Becton Dickinson &	BDX	60	12/03/2003	8,349.60	2,433	5,917	243.2%	
C. R. Bard, Inc.	BCR	65	03/06/2009	10,830.30	4,759	6,072	127.6%	
Johnson & Johnson	JNJ	99	08/07/2001	10,352.43	4,995	5,357	107.3%	
Medtronic Inc	MDT	125	11/01/2006	9,025.00	6,081	2,944	48.4%	
Merck & Co Inc	MRK	85	06/26/2001	4,827.15	5,431	(604)	-11.1%	
Pfizer Inc	PFE	265	06/26/2001	8,254.75	10,330	(2,076)	-20.1%	
				64,382.43	38,291	26,092	68.1%	
CONS STAPLES								
Colgate-Palmolive Co	CL	40	12/03/2003	2,767.60	1,069	1,698	158.8%	
Procter & Gamble Co	PG	160	12/03/2003	14,574.40	7,782	6,793	87.3%	
Wal Mart Stores Inc	WMT	105	03/06/2009	9,017.40	5,169	3,849	74.5%	
				26,359.40	14,020	12,340	88.0%	
CONS CYCLICALS								
Home Depot Inc	HD	170	06/26/2001	17,844.90	6,511	11,334	174.1%	
McDonald's Corp	MCD	115	12/03/2003	10,775.50	3,065	7,711	251.6%	
Tjx Companies Inc	TJX	198	12/08/2010	13,578.84	4,434	9,145	206.2%	
Twenty-First Centy Fox Inc Cl A	FOXA	350	02/01/2006	13,441.75	4,908	8,534	173.9%	
				55,640.99	18,917	36,724	194.1%	
CAPITAL GOODS								
Danaher Corp	DHR	160	03/03/2008	13,713.60	5,930	7,784	131.3%	
General Electric Co	GE	170	12/03/2003	4,295.90	5,039	(743)	-14.8%	
Grainger WW Inc	GWV	38	03/06/2009	9,685.82	2,332	7,354	315.4%	
Minnesota Mining &	MMM	55	04/04/2002	9,037.60	4,380	4,657	106.3%	

Portfolio Holdings

As of 12/31/2014

Schug Foundation Foundation Account Acct #: 5QR001239

Description	Symbol	Quantity	Trade Date	Current Value	Cost Basis	Unrealized Gain (Loss)	% G/L	Maturity Date
US Large Cap								
CAPITAL GOODS								
United Technologies	UTX	85	03/06/2009	9,775.00	3,237	6,538	202.0%	
				46,507.92	20,918	25,590	122.3%	
COMMUNICATIONS								
AT&T Inc	T	226	06/26/2001	7,591.34	5,415	2,176	40.2%	
Verizon	VZ	140	03/06/2009	6,549.20	3,531	3,019	85.5%	
				14,140.54	8,945	5,195	58.1%	
ENERGY								
Apache Corp	APA	100	03/06/2009	6,267.00	5,424	843	15.5%	
Chevrontexaco Corp	CVX	61	12/03/2003	6,842.98	2,352	4,491	191.0%	
Conocophillips	COP	160	11/01/2006	11,049.60	9,162	1,887	20.6%	
Exxon Mobil Corp	XOM	120	12/03/2003	11,094.00	4,413	6,681	151.4%	
				35,253.58	21,352	13,902	65.1%	
UTILITIES								
Dominion Res Inc Va	D	95	09/07/2007	7,305.50	4,041	3,264	80.8%	
Exelon Corp Com	EXC	185	12/03/2003	6,859.80	7,392	(533)	-7.2%	
Southern Co	SO	195	03/06/2009	9,576.45	5,482	4,095	74.7%	
				23,741.75	16,915	6,827	40.4%	
BASIC MATERIALS								
Air Products & Chems	APD	80	12/03/2003	11,538.40	3,968	7,570	190.8%	
Dow Chem Co	DOW	155	03/06/2009	7,069.55	1,018	6,052	594.5%	
Rio Tinto Plc	RIO	180	03/25/2014	8,290.80	9,830	(1,540)	-15.7%	
				26,898.75	14,817	12,082	81.5%	
REIT								
Vanguard REIT ETF	VNQ	100	03/25/2014	8,100.00	7,005	1,095	15.6%	
				455,766.79	242,105	213,662	88.3%	
US Mid Cap								
GROWTH MUTUAL FUND								
T R Price Mid Cap Growth	RPMGX	204.957	08/07/2001	15,461.96	7,871	7,591	96.4%	
VALUE MUTUAL FUND								
T R Price Mid Cap Value	TRMCX	752.281	05/12/2003	21,680.74	13,940	7,741	55.5%	
				37,142.70	21,811	15,332	70.3%	
US Small Cap								
GROWTH MUTUAL FUND								
Vanguard Explorer	VEXPX	112.851	12/03/2003	10,494.01	7,312	3,182	43.5%	
Vanguard Small Cap Growth ETF	VBK	95	09/07/2007	11,964.30	7,216	4,748	65.8%	
				22,458.31	14,528	7,930	54.6%	

Portfolio Holdings

As of 12/31/2014

Schug Foundation Foundation Account Acct #: 5QR001239

Description	Symbol	Quantity	Trade Date	Current Value	Cost Basis	Unrealized Gain (Loss)	% G/L	Maturity Date
US Small Cap								
VALUE MUTUAL FUND								
Queens Road Small Val	QRSVX	2,800.21	03/06/2009	66,953.02	33,540	33,414	99.6%	
				89,411.33	48,068	41,344	86.0%	
Foreign Equities								
DIVERSIFIED MUTUAL FUND								
American New World F-2	NFFFX	338.238	11/18/2014	18,065.29	20,009	(1,944)	-9.7%	
GROWTH MUTUAL FUND								
Dodge & Cox Intl Stock	DODFX	471.275	11/18/2014	19,845.39	21,009	(1,164)	-5.5%	
Europacific Growth F-2	AEPFX	377.254	03/06/2009	17,738.48	14,427	3,311	23.0%	
				37,583.87	35,436	2,148	6.1%	
VALUE MUTUAL FUND								
American Interl Gr & Inc F2	IGFFX	616.378	11/18/2014	19,625.48	21,009	(1,384)	-6.6%	
Harbor Intl	HAINX	281.558	03/06/2009	18,239.33	8,533	9,706	113.8%	
				37,864.81	29,542	8,323	28.2%	
				93,513.97	84,987	8,527	10.0%	
Taxable Fixed Incm								
AGENCY								
Vanguard GNMA	VFIIX	2,478.128	04/28/2010	26,813.34	26,598	215	0.8%	
Inflation Protected Securities								
Vanguard Inflation Protected Sec.	VIPSX	3,498.896	12/05/2003	46,115.45	41,506	4,610	11.1%	
US TREASURY/AGENCY								
Vanguard Interm Govt	VFITX	2,793.247	09/11/2007	31,759.22	31,913	(154)	-0.5%	
Vanguard S-T Treasury Adm	VFIRX	1,009.346	06/26/2014	10,789.91	10,809	(19)	-0.2%	
Vanguard Short-Term	VSGDX	2,601.931	04/01/2013	27,996.78	28,018	(21)	-0.1%	
				70,545.91	70,740	(194)	-0.3%	
HIGH GRADE CORPORATE BOND								
Capital World Bond F-2	BFWFX	1,587.288	04/28/2010	31,460.05	32,018	(558)	-1.7%	
Vanguard Inter Corp Admr	VFIDX	2,058.824	04/01/2013	20,238.24	21,009	(771)	-3.7%	
Vanguard Interm-Trm Corp	VFICX	5,769.718	12/05/2003	56,716.33	54,736	1,980	3.6%	
Vanguard Short-Term	VFSUX	4,855.275	03/25/2014	51,757.23	52,009	(252)	-0.5%	
Vanguard ST Corp	VFSTX	4,842.177	12/05/2003	51,617.61	48,665	2,953	6.1%	
				211,789.46	208,437	3,352	1.6%	
HIGH YIELD BOND								
Vanguard Fixed Inc High Yield	VWEHX	4,014.522	11/01/2006	23,966.70	24,408	(442)	-1.8%	
				379,230.86	371,690	7,541	2.0%	

Bonds

Σ① = Stock \$675,835

Portfolio Holdings

As of 12/31/2014

Schug Foundation Foundation Account Acct #: 5QR001239

<u>Description</u>	<u>Symbol</u>	<u>Quantity</u>	<u>Trade Date</u>	<u>Current Value</u>	<u>Cost Basis</u>	<u>Unrealized Gain (Loss)</u>	<u>% G/L</u>	<u>Maturity Date</u>
Cash Equivalents								
MONEY MARKET								
CASH	CASH			116,652.89	116,653			
				<u>1,171,718.54</u>	<u>885,313</u>	<u>286,406</u>	<u>32.4%</u>	

Cash

116,652.89

ols checks (39,546.30)

Cash @ 12/31/14 77,106.59