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

Return of Private Foundation

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

▶ Do not enter social security numbers on this form as it may be made public.

▶ Information about Form 990-PF and its separate instructions is at *www.irs.gov/form990pf.*

OMB No 1545-0052

2015

Open to Public Inspection

For calendar year 2015 or tax year beginning , and ending

Name of foundation: PADDISON CHARITABLE FOUNDATION

A Employer identification number: 62-6310121

Number and street (or P O box number if mail is not delivered to street address): 1111 NORTHSHORE DRIVE, S800 — Room/suite

B Telephone number: 865-766-3017

City or town, state or province, country, and ZIP or foreign postal code: KNOXVILLE, TN 37919

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)* ▶$ 3,099,422.

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

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

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

	Line	(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	112,500.		N/A	
	2 Check ▶ [ ] if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	663.	663.		
	4 Dividends and interest from securities	95,039.	90,321.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	125,850.			
	b Gross sales price for all assets on line 6a 875,900.				
	7 Capital gain net income (from Part IV, line 2)		125,850.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income				
	12 **Total.** Add lines 1 through 11	334,052.	216,834.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	21,204.	15,903.		5,301.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees STMT 1	180.	135.		45.
	b Accounting fees STMT 2	1,400.	1,050.		350.
	c Other professional fees				
	17 Interest				
	18 Taxes STMT 3	1,846.	1,088.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 4	12.	12.		0.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	24,642.	18,188.		5,696.
	25 Contributions, gifts, grants paid	158,000.			158,000.
	26 **Total expenses and disbursements.** Add lines 24 and 25	182,642.	18,188.		163,696.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	151,410.			
	b **Net investment income** (if negative, enter -0-)		198,646.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

RECEIVED
MAR 04 2016
OGDEN, UT
E2-657 IRS-OSC

SCANNED MAR 14 2016

523501 11-24-15 LHA **For Paperwork Reduction Act Notice, see instructions.**

627 8

11140223 781331 17380-04080 2015.02070 PADDISON CHARITABLE FOUNDAT 17380-A1

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	160,746.	155,233.	155,233.
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations STMT 5	32,498.	0.	0.
	b Investments - corporate stock STMT 6	1,611,789.	1,841,561.	2,142,358.
	c Investments - corporate bonds STMT 7	887,198.	832,025.	801,831.
	11 Investments - land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers - see the instructions. Also, see page 1, item I)	2,692,231.	2,828,819.	3,099,422.
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 ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	2,692,231.	2,828,819.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	0.	0.	
	30 **Total net assets or fund balances**	2,692,231.	2,828,819.	
	31 **Total liabilities and net assets/fund balances**	2,692,231.	2,828,819.	

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	2,692,231.
2	Enter amount from Part I, line 27a	2	151,410.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	2,843,641.
5	Decreases not included in line 2 (itemize) ▶ TAX EFFECTIVE DATE DIFFERENCE	5	14,822.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	2,828,819.

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	SEE ATTACHED SCHEDULE		VARIOUS	VARIOUS
b	SEE ATTACHED SCHEDULE		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	44,758.		48,829.	<4,071.>
b	804,730.		701,221.	103,509.
c	26,412.			26,412.
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				<4,071.>
b				103,509.
c				26,412.
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	125,850.
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))
2014	163,449.	3,181,115.	.051381
2013	140,211.	2,940,819.	.047678
2012	103,702.	2,618,555.	.039603
2011	100,971.	2,469,865.	.040881
2010	97,041.	2,180,640.	.044501

2 **Total** of line 1, column (d)	2	.224044
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	.044809
4 Enter the net value of noncharitable-use assets for 2015 from Part X, line 5	4	3,150,468.
5 Multiply line 4 by line 3	5	141,169.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,986.
7 Add lines 5 and 6	7	143,155.
8 Enter qualifying distributions from Part XII, line 4	8	163,696.

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	1,986.
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	1,986.
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	1,986.
6 Credits/Payments:			
a 2015 estimated tax payments and 2014 overpayment credited to 2015	6a 1,620.		
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d		7	1,620.
8 Enter any **penalty** for underpayment of estimated tax. Check here ☒ if Form 2220 is attached		8	5.
9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶		9	371.
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 2016 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 the definition)? *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.*	1b		X
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 2015 or the taxable year beginning in 2015 (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 ▶ PINNACLE NATIONAL BANK Telephone no. ▶ 865-766-3017

Located at ▶ 1111 NORTHSHORE DR., SUITE S800, KNOXVILLE, TN ZIP+4 ▶ 37919

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 2015, 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. 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 2015?	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 2015, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2015? ☐ 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 2015 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 2015.)* 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 2015?	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 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)?	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
MARY PADDISON JAMES 3920 BEVERLY PLACE KNOXVILLE, TN 37918	CO-TRUSTEE 3.00	0.	0.	0.
PINNACLE BANK 1111 NORTHSHORE DR, SUITE S800 KNOXVILLE, TN 37919	CO-TRUSTEE 3.00	21,204.	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	3,103,618.
b	Average of monthly cash balances	1b	94,827.
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	3,198,445.
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	3,198,445.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	47,977.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,150,468.
6	**Minimum investment return.** Enter 5% of line 5	6	157,523.

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	157,523.
2a	Tax on investment income for 2015 from Part VI, line 5 — 2a 1,986.		
b	Income tax for 2015. (This does not include the tax from Part VI.) — 2b		
c	Add lines 2a and 2b	2c	1,986.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	155,537.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	155,537.
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	155,537.

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	163,696.
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	163,696.
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	1,986.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	161,710.

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 2014	(c) 2014	(d) 2015
1 Distributable amount for 2015 from Part XI, line 7				155,537.
2 Undistributed income, if any, as of the end of 2015				
a Enter amount for 2014 only			0.	
b Total for prior years: ___ , ___ , ___		0.		
3 Excess distributions carryover, if any, to 2015:				
a From 2010				
b From 2011				
c From 2012				
d From 2013				
e From 2014 7,594.				
f **Total** of lines 3a through e	7,594.			
4 Qualifying distributions for 2015 from Part XII, line 4: ▶ $ 163,696.				
a Applied to 2014, 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 2015 distributable amount				155,537.
e Remaining amount distributed out of corpus	8,159.			
5 Excess distributions carryover applied to 2015 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	15,753.			
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 2014. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2015. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2016				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)	0.			
8 Excess distributions carryover from 2010 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2016.** Subtract lines 7 and 8 from line 6a	15,753.			
10 Analysis of line 9:				
a Excess from 2011				
b Excess from 2012				
c Excess from 2013				
d Excess from 2014 7,594.				
e Excess from 2015 8,159.				

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 2015, 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) 2015	(b) 2014	(c) 2013	(d) 2012	(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).)

NONE

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

NONE

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

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

a The name, address, and telephone number or e-mail address of the person to whom applications should be addressed:

PADDISON FOUNDATION, PINNACLE BANK, TTEE, 865-766-3017
1111 NORTHSHORE DR., SUITE 800, KNOXVILLE, TN 37919

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

APPLICATION FORM CAN BE REQUESTED AT THE ABOVE ADDRESS.

c Any submission deadlines:

APPLICATION MUST BE MADE BY JANUARY 31

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

NONE

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				
EMERALD AVE YOUTH FOUNDATION 1718 N CENTRAL ST. KNOXVILLE, TN 37917			TO FURTHER CHARITABLE PURPOSE OF ORGANIZATION	7,000.
FOCUS GROUP PRISON MINISTRY 6300 DEANE HILL DRIVE KNOXVILLE, TN 37919			TO FURTHER CHARITABLE PURPOSE OF ORGANIZATION	10,000.
FOUNTAIN CITY MINISTRY CENTER P.O. BOX 5311 KNOXVILLE, TN 37928			TO FURTHER CHARITABLE PURPOSE OF ORGANIZATION	14,000.
FRIENDS OF THE GREAT SMOKY MOUNTAIN NATIONAL PARK P.O. BOX 1660 KODAK, TN 377647660			TO FURTHER CHARITABLE PURPOSE OF ORGANIZATION	10,000.
INTERFAITH HEALTH CLINIC 315 GILL AVE. KNOXVILLE, TN 37917			TO FURTHER CHARITABLE PURPOSE OF ORGANIZATION	14,000.
Total SEE CONTINUATION SHEET(S)			▶ 3a	158,000.
b Approved for future payment				
NONE				
Total			▶ 3b	0.

523611
11-24-15

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) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
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			14	663.	
4 Dividends and interest from securities			14	95,039.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	125,850.	
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.		221,552.	0.

13 **Total**. Add line 12, columns (b), (d), and (e) 13 221,552.

(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).

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

Pinnacle Bank by Tracey Courtney Arnall 2/29/16

Signature of officer or trustee | Date | Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
JENNIFER A. DONELSON, CPA	JENNIFER A. DONEL	02/23/16		P01375228

Firm's name ▶ KRAFTCPAS PLLC | Firm's EIN ▶ 62-0713250

Firm's address ▶ 555 GREAT CIRCLE ROAD NASHVILLE, TN 37228 | Phone no. 615-242-7351

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at *www.irs.gov/form990* .

OMB No 1545-0047

2015

Name of the organization	**Employer identification number**
PADDISON CHARITABLE FOUNDATION	62-6310121

Organization type (check one):

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling $5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling $5,000 or more during the year . . . . ▶ $ ____________

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

Name of organization	Employer identification number
PADDISON CHARITABLE FOUNDATION	62-6310121

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	PADDISON CHARITABLE LEAD TRUSTS (2) 1111 NORTHSHORE DR., SUITE S800 KNOXVILLE, TN 37919	$ 112,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization	Employer identification number
PADDISON CHARITABLE FOUNDATION	62-6310121

Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

Name of organization.	Employer identification number
PADDISON CHARITABLE FOUNDATION	62-6310121

Part III *Exclusively* religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than $1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc , contributions of $1,000 or less for the year (Enter this info once) ▶ $

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

FORM 990-PF LEGAL FEES STATEMENT 1

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	180.	135.		45.
TO FM 990-PF, PG 1, LN 16A	180.	135.		45.

FORM 990-PF ACCOUNTING FEES STATEMENT 2

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	1,400.	1,050.		350.
TO FORM 990-PF, PG 1, LN 16B	1,400.	1,050.		350.

FORM 990-PF TAXES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	1,088.	1,088.		0.
ESTIMATED FEDERAL TAX PAYMENTS	758.	0.		0.
TO FORM 990-PF, PG 1, LN 18	1,846.	1,088.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ADR FEES	12.	12.		0.
TO FORM 990-PF, PG 1, LN 23	12.	12.		0.

FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 5

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
MUNICIPAL BONDS		X	0.	0.
TOTAL U.S. GOVERNMENT OBLIGATIONS				
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			0.	0.

FORM 990-PF CORPORATE STOCK STATEMENT 6

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
EQUITIES - DETAILED STMT ATTACHED	1,841,561.	2,142,358.
TOTAL TO FORM 990-PF, PART II, LINE 10B	1,841,561.	2,142,358.

FORM 990-PF CORPORATE BONDS STATEMENT 7

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS - DETAILED STMT ATTACHED	832,025.	801,831.
TOTAL TO FORM 990-PF, PART II, LINE 10C	832,025.	801,831.

TAX PREPARER 4020
TRUST ADMINISTRATOR. 105
INVESTMENT OFFICER 304

LEGEND F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	MARKET DISCOUNT	TERM	NC	8949
30000.0000 AFLAC INC DTD 08/09/10 3.45% 08/15/2015 - 001055AE2 - MINOR = 45									
SOLD		08/15/2015	30000.00						
ACQ	30000 0000	07/18/2011	30000.00	31256 10	-1256 10	0.00	LT	Y	F
2771.9080 ARTISAN MID CAP VALUE FUND - INV #1464 - 04314H709 - MINOR = 62									
SOLD		02/04/2015	68854 19						
ACQ	2771.9080	06/19/2009	68854 19	46119 47	22734 72	0.00	LT	Y	F
2642 3760 BUFFALO SMALL CAP FUND #1444 - 119804102 - MINOR = 62									
SOLD		02/04/2015	81887.23						
ACQ	2642.3760	05/12/2009	81887 23	48284 37	33602 86	0 00	LT	Y	F
30000.0000 CHATTANOOGA TN IDB SOUTHSIDE REDEV CORP IDB LEASE RENTAL REV DTD 09/30/10 4% 10/ - 162419BZ7 - MINOR = 40									
SOLD		10/01/2015	30000 00						
ACQ	30000.0000	01/07/2013	30000.00	32497.50	-2497.50	0.00	LT		F
30000.0000 ENTERGY CORP 3.625% 09/15/2015 - 29364GAE3 - MINOR = 45									
SOLD		09/15/2015	30000 00						
ACQ	30000.0000	03/14/2013	30000.00	31357.20	-1357 20	0 00	LT		F
1125.0000 FREEPORT-MCMORAN COPPER & GOLD COM - 35671D857 - MINOR = 50									
SOLD		12/15/2015	7290.66						
ACQ	816 0000	08/29/2013	5288.16	24850.46	-19562.30	0.00	LT		F
	309 0000	03/09/2015	2002.50	6086.65	-4084.15	0.00	ST		C
20000.0000 GENERAL ELEC CAP CORP MTN GLBL SR DTD 09/21/09 4.375% 09/21/2015 - 36962G4F8 - MINOR = 45									
SOLD		09/21/2015	20000.00						
ACQ	20000 0000	06/15/2010	20000 00	20790 00	-790 00	0.00	LT	Y	F
30000.0000 GOLDMAN SACHS GROUP INC DTD 10/29/09 4 2 - 38141E7E3 - MINOR = 45									
SOLD		10/15/2015	30000 00						
ACQ	30000.0000	03/14/2013	30000 00	32189 10	-2189.10	0.00	LT		F
1863.3540 GOLDMAN SACHS SATELLITE STRATEGIES PORTF - 38143H332 - MINOR = 60									
SOLD		02/04/2015	15000 00						
ACQ	1863.3540	06/28/2012	15000 00	14240 30	759 70	0.00	LT		F
770.0000 ISHARES MSCI EMERGING MARKETS ETF FD - 464287234 - MINOR = 57									
SOLD		02/04/2015	31154 36						
ACQ	770 0000	12/26/2013	31154.36	31431.40	-277.04	0 00	LT		F
15000 0000 JPMORGAN CHASE & CO NT DTD 06/24/2010 3. - 46625HHR4 - MINOR = 45									
SOLD		06/24/2015	15000 00						
ACQ	15000.0000	06/23/2010	15000.00	15091.05	-91.05	0 00	LT	Y	F
40000.0000 LABORATORY CORP AMER HLDGS 5.625% 12/15 - 50540RAF9 - MINOR = 45									
SOLD		12/15/2015	40000 00						
ACQ	40000 0000	01/13/2014	40000 00	43497.60	-3497 60	0 00	LT		F
2247.1910 LORD ABBETT SHORT DURATION INCOME FUND C - 543916688 - MINOR = 61									
SOLD		05/06/2015	10000 00						
ACQ	2247.1910	11/28/2014	10000 00	10089.89	-89 89	0.00	ST		C
3422.0770 MATTHEWS ASIA DIVIDEND FUND #809 - 577125107 - MINOR = 62									
SOLD		02/04/2015	54068.82						
ACQ	3422 0770	03/09/2012	54068 82	47177 33	6891 49	0.00	LT		F
2738.1440 MATTHEWS - 577130867 - MINOR = 62									
SOLD		02/04/2015	58514.14						
ACQ	2738.1440	03/09/2012	58514.14	46905 36	11608 78	0 00	LT		F
35000.0000 MAYTAG CORP DTD 05/14/03 5% 05/15/2015 - 57859HBU7 - MINOR = 45									
SOLD		05/15/2015	35000 00						
ACQ	35000 0000	07/26/2013	35000 00	37079.70	-2079 70	0.00	LT		F
1447.8270 MERIDIAN GROWTH FUND #75 - 589619105 - MINOR = 62									
SOLD		02/04/2015	51137 25						
ACQ	1292 4790	04/24/2009	45650.36	42365.89	3284 47	0 00	LT	Y	F
	155 3480	06/29/2012	5486.89	5092.12	394 77	0 00	LT		F
451.0000 SELECT CONSUMER DISCRETIONARY - 81369Y407 - MINOR = 57									
SOLD		09/28/2015	32755.52						
ACQ	451 0000	12/26/2014	32755.52	32652.40	103.12	0 00	ST		C
979 6240 TARGET SMALL CAPITALIZATION VALUE PORTFO - 875921306 - MINOR = 62									
SOLD		03/09/2015	25000.00						
ACQ	979 6240	06/19/2009	25000.00	14503 67	10496 33	0 00	LT	Y	F
5674.6170 TARGET SMALL CAPITALIZATION VALUE PORTFO - 875921306 - MINOR = 62									
SOLD		10/23/2015	141127 72						
ACQ	5274 6170	06/19/2009	131179.72	78092.52	53087 20	0.00	LT	Y	F
	400.0000	06/28/2012	9948.00	5922.14	4025.86	0 00	LT		F
30000 0000 WESTERN UNION CO DTD 12/10/12 2.375% 12/ - 959802AQ2 - MINOR = 45									
SOLD		12/10/2015	30000 00						
ACQ	30000.0000	12/18/2012	30000.00	30279.00	-279 00	0 00	LT	Y	F
860.0000 TEXTAINER GROUP HOLDINGS LTD - G8766E109 - MINOR = 50									
SOLD		11/05/2015	12698.36						
ACQ	740 0000	11/29/2011	10926 50	18533 82	-7607.32	0 00	LT		F
	120.0000	12/14/2012	1771.86	3664 79	-1892.93	0 00	LT		F
		TOTALS	849488.25	750049 83					

SUMMARY OF CAPITAL GAINS/LOSSES

FEDERAL	SHORT TERM	LONG TERM 28%	LONG TERM	ST WASH SALE	LT WASH SALE	1250 GAIN
NONCOVERED FROM ABOVE	0 00	0.00	120789 43	0.00	0.00	0 00*
COVERED FROM ABOVE	-4070 92	0 00	-17280.09	0.00	0.00	
COMMON TRUST FUND	0 00	0 00	0 00			0 00
CAPITAL GAIN DIV/DIST	4 28	0 00	26411 72			0 16
	-4066 64	0.00	129921.06	0 00	0 00	0.16

DESCRIPTION	TICKER	SHARES	MARKET VALUE/ TAX COST
EQUITIES			
GENERAL ELECTRIC CO COM	GE	1,501 000	46,756.15 40,277 53
GOLDMAN SACHS SATELLITE STRATEGIES PORTFOLIO IS #2402	GXSIX	19,540 843	145,188 46 149,336 83
HOME DEPOT INC COM	HD	394 000	52,106 50 22,392 60
HONEYWELL INTL INC COM	HON	332 000	34,385.24 10,019 76
INTEL CORP COM	INTC	1,138 000	39,204.10 23,864 49
IBM CORP COM	IBM	194.000	26,698.28 32,679.26
ISHARES S&P 500 INDEX ETF	IVV	36 000	7,375 32 7,430 04
ISHARES MSCI EAFE ETF	EFA	3,032 000	178,039 04 191,163 69
ISHARES RUSSELL MID-CAP GROWTH ETF INDEX FD	IWP	533 000	48,993.36 49,907 46
ISHARES TR S&P MIDCAP 400 INDEX	IJH	551 000	76,765 32 80,803 05
ISHARES TR S&P SMALLCAP 600 INDEX	IJR	1,190.000	131,030 90 134,924 09
ISHARES S&P SMALL-CAP 600 GROWTH ETF INDEX FD	IJT	567.000	70,483 77 71,880 92
JPMORGAN CHASE & CO COM	JPM	545.000	35,986 35 20,367.60
KRAFT HEINZ CO	KHC	614 000	44,674 64 28,498 42
LILLY ELI & CO COM	LLY	610 000	51,398.60 36,523 14
LOCKHEED MARTIN CORP COM	LMT	223 000	48,424 45 34,855.03
MCDONALDS CORP COM	MCD	345 000	40,758 30 33,230 26
MICROSOFT CORP COM	MSFT	896.000	49,710 08 24,620 98
ORACLE CORP COM	ORCL	797 000	29,114 41 20,209 50

DESCRIPTION	TICKER	SHARES	MARKET VALUE/ TAX COST
EQUITIES			
PEPSICO INC COM	PEP	384 000	38,369 28 16,335 19
PFIZER INC COM	PFE	996 000	32,150 88 30,964.64
PROCTER & GAMBLE CO COM	PG	365 000	28,984.65 20,959 68
PRUDENTIAL FINANCIAL INC COM	PRU	398 000	32,401 18 20,843 73
QUALCOMM INC COM	QCOM	422 000	21,093 67 20,094 77
ROYAL DUTCH SHELL PLC SPON ADR B	RDS.B	484 000	22,283 36 33,383.92
SCANA CORPORATION	SCG	650 000	39,318 50 34,162 70
SCHLUMBERGER LTD COM	SLB	360 000	25,110.00 28,096 10
SELECT ENERGY SECTOR ETF	XLE	365.000	22,016 80 31,747 98
SELECT UTILITIES SECTOR ETF	XLU	100 000	4,328 00 4,190 40
SOUTHERN CO COM	SO	578 000	27,044 62 21,853 23
UNITED TECHNOLOGIES CORP COM	UTX	327 000	31,414 89 19,199 36
VANGUARD EMERGING MARKETS ETF	VWO	2,145 000	70,162 95 88,955 92
VERIZON COMMUNICATIONS COMMUNICATIONS INC COM	VZ	768.000	35,496 96 23,294.39
WELLS FARGO & CO COM	WFC	706 000	38,378 16 25,804 30
EATON CORP PLC	ETN	177 000	9,211 08 10,860 91
ENSCO PLC COMMON	ESV	340 000	5,232.60 6,181 13
SEAGATE TECHNOLOGY PLC SHS	STX	710 000	26,028 60 18,789.50
TOTAL EQUITIES			2,142,358 11 1,841,560 98

DESCRIPTION	RATING	PAR VALUE	MARKET VALUE/ TAX COST
FIXED INCOME			
ASTON DOUBLINE CORE PLUS FIXED INCOME FUND I		434.986	4,528 20 4,732.65
AFLAC INC 2.65% 02/15/2017	A-	30,000 000	30,395 10 31,164 90
AMERICAN EXPRESS CENTURION CD 1.95% 12/18/2018		30,000 000	29,798 70 30,105 60
BANK OF MONTREAL 2.5% 01/11/2017	A+	40,000 000	40,476 80 41,340 00
BANK OF NOVA SCOTIA SR 2.55% 01/12/2017	A+	70,000 000	70,929 60 72,987 60
BAXTER INTL INC 5 9% 09/01/2016	A-	30,000 000	30,921 60 32,541 60
CAPITAL ONE FINACIAL CORP NT DTD 08/29/06 6.15% 09/01/2016	BBB-	50,000.000	51,519.50 55,015 00
CAPITAL ONE FINACIAL CORP NT 2 45% 04/24/2019	BBB	45,000 000	45,082 35 45,297 00
DEUTSCHE BANK LONDON DTD 01/11/11 3 25% 01/11/2016	BBB+	30,000 000	30,011 40 30,668.70
GOLDMAN SACHS HIGH QUALITY FLOATING RATE INSTITUTIONAL FUND #450		2,632 757	22,773.35 22,983 96
GOLDMAN SACHS STRG INCOME FUND INSTL		734 745	7,068 25 7,700.61

DESCRIPTION	RATING	PAR VALUE	MARKET VALUE/ TAX COST
FIXED INCOME			
JOHNSON CONTROLS INC SR NT DTD 12/02/2011 2.6% 12/01/2016	BBB+	30,000.000	30,294.30 31,522 50
LILLY ELI & CO 5.2% 03/15/2017	AA-	60,000 000	62,834.40 65,640.00
LOOMIS SAYLES BOND INST		618.883	7,971.21 9,523.40
LORD ABBETT SHORT DURATION INCOME FUND CLASS I #1425		7,083.580	30,530 23 31,805.27
LORILLARD TOBACCO CO DTD 08/04/11 3.5% 08/04/2016	BBB-	30,000.000	30,320.40 31,372.50
MORGAN STANLEY 2.2% 12/07/2018	BBB+	30,000.000	30,015.60 30,024 90
PIMCO LOW DURATION FUND #36		459.035	4,526.09 4,732 65
PIMCO REAL RETURN FUND CLASS I #122		1,348 828	14,176.18 16,181 55
PNC BANK 2 4% 10/18/2019	A	40,000 000	40,155.20 40,754.00
PIMCO FOREIGN BOND FUND UNHEDGED INSTITUTIONAL #1853		1,003.057	9,067 64 11,088.75
PITNEY BOWES INC GLOBAL MTN CALLABLE DTD 7/13/05 4 75% 01/15/2016	BBB	35,000 000	35,032 55 37,278.50
CHARLES SCHWAB CORP NT 2.2% 07/25/2018	A	40,000 000	40,083.20 40,616.00
STANLEY BLACK & DECKER 2.451% 11/17/2018	A-	50,000.000	50,195 00 50,275 00
VERIZON COMMUNICATIONS COMMUNICATIONS 2 5% 09/15/2016-2014	BBB+	22,000 000	22,171 60 22,839.96
WESTERN UNION CO DTD 02/06/07 5 93% 10/01/2016	BBB	30,000.000	30,952 50 33,832 50
TOTAL FIXED INCOME			801,830.95 832,025.10

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
KNOXVILLE-KNOX COUNTY CAC 2247 WESTERN AVE KNOXVILLE, TN 37950			MOBILE MEALS	14,000.
KNOXVILLE-ZOOLOGICAL GARDENS 3500 KNOXVILLE ZOO DR. KNOXVILLE, TN 37914			EDUCATIONAL	15,000.
LOST SHEEP MINISTRY 1444 BREDA DRIVE KNOXVILLE, TN 37918			TO FURTHER CHARITABLE PURPOSE OF ORGANIZATIONN	6,000.
MARYVILLE COLLEGE SCHOLARSHIP FUND 502 E. LAMAR ALEXANDER PKWY MARYVILLE, TN 37804			FUNDING THE ROGER B & EVELYN W PADDISON SCHOLARSHIP	14,000.
REMOTE AREA MEDICAL (RAM) 2200 STOCK CREEK BLVD ROCKFORD, TN 37853			TO FURTHER CHARITABLE PURPOSE OF ORGANIZATION	6,000.
SECOND HARVEST FOOD BANK 922 DELAWARE AVE. KNOXVILLE, TN 37921			TO FURTHER CHARITABLE PURPOSE OF ORGANIZATION	10,000.
ST. PAUL METHODIST CHURCH 4014 GARDEN DR. KNOXVILLE, TN 37918			TO FURTHER CHARITABLE PURPOSE OF ORGANIZATION	10,000.
WESLEY HOUSE FOUNDATION 923 DAMERON AVENEUE KNOXVILLE, TN 37921			TO FURTHER CHARITABLE PURPOSE OF ORGANIZATION	15,000.
YOUNG WILLIAMS ANIMAL CENTER 3201 DIVISION STREET KNOXVILLE, TN 37919			TO FURTHER CHARITABLE PURPOSE OF ORGANIZATION	5,000.
SUSANNAH'S HOUSE 923 DAMERON AVE NW KNOXVILLE, TN 37921			TO FURTHER CHARITABLE PURPOSE OF ORGANIZATION	6,000.
Total from continuation sheets				103,000.

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
THE COVE CHURCH 1917 LANGTREE RD MOORESVILLE, NC 28117			TO FURTHER CHARITABLE PURPOSE OF ORGANIZATION	2,000.
Total from continuation sheets				