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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 SEP 1, 2015 , and ending AUG 31, 2016

Name of foundation
THE BAILEY FOUNDATION
C/O TNB FINANCIAL SERVICES

A Employer identification number
57-6018387

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
P.O. BOX 1215

B Telephone number
864-766-6027

City or town, state or province, country, and ZIP or foreign postal code
CLINTON, SC 29325

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) ▶$ 4,281,025.

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

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

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

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received				
	2 Check ▶ [X] if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	120,525.	120,525.	120,525.	STATEMENT 1
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	<70,356.>			
	b Gross sales price for all assets on line 6a 901,780.				
	7 Capital gain net income (from Part IV, line 2)		0.		
	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	36.	36.	36.	STATEMENT 2
	12 **Total** Add lines 1 through 11	50,205.	120,561.	120,561.	
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	25,831.	25,831.	25,831.	0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees STMT 3	5,600.	5,600.	5,600.	0.
	c Other professional fees				
	17 Interest				
	18 Taxes STMT 4	296.	296.	296.	0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications	483.	0.	0.	0.
	23 Other expenses STMT 5	963.	736.	736.	0.
	24 **Total operating and administrative expenses** Add lines 13 through 23	33,173.	32,463.	32,463.	0.
	25 Contributions, gifts, grants paid	156,670.			156,670.
	26 **Total expenses and disbursements.** Add lines 24 and 25	189,843.	32,463.	32,463.	156,670.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	<139,638.>			
	b **Net investment income** (if negative, enter -0-)		88,098.		
	c **Adjusted net income** (if negative, enter -0-)			88,098.	

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Form **990-PF** (2015)

924,25 5

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			
	2	Savings and temporary cash investments	154,064.	138,879.	138,879.
	3	Accounts receivable ▶			
		Less: allowance for doubtful accounts ▶			
	4	Pledges receivable ▶			
		Less: allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons			
	7	Other notes and loans receivable ▶			
		Less: allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments - U.S. and state government obligations			
	b	Investments - corporate stock STMT 6	2,208,669.	2,428,883.	2,825,272.
	c	Investments - corporate bonds STMT 7	1,636,013.	1,291,346.	1,316,874.
	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)	3,998,746.	3,859,108.	4,281,025.
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	3,998,746.	3,859,108.	
	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**	3,998,746.	3,859,108.	
	31	**Total liabilities and net assets/fund balances**	3,998,746.	3,859,108.	

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	3,998,746.
2	Enter amount from Part I, line 27a	2	<139,638.>
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	3,859,108.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	3,859,108.

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	GAIN/LOSS FROM PUBLICLY TRADED SECURITIES	P		
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	901,780.		972,136.	<70,356.>
b				
c				
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				<70,356.>
b				
c				
d				
e				

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7 } **2** <70,356.>

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** <70,356.>

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 [X] 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	356,026.	4,378,053.	.081321
2013	246,850.	4,477,784.	.055128
2012	278,510.	4,394,189.	.063381
2011	243,100.	4,275,085.	.056864
2010	265,472.	4,486,168.	.059176

2	**Total** of line 1, column (d)	2	.315870
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	.063174
4	Enter the net value of noncharitable-use assets for 2015 from Part X, line 5	4	4,134,483.
5	Multiply line 4 by line 3	5	261,192.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	881.
7	Add lines 5 and 6	7	262,073.
8	Enter qualifying distributions from Part XII, line 4	8	156,670.

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	1,762.
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	1,762.
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	1,762.
6 Credits/Payments:				
a 2015 estimated tax payments and 2014 overpayment credited to 2015	6a	6,942.		
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	6,942.
8 Enter any **penalty** for underpayment of estimated tax. Check here ☒ if Form 2220 is attached			8	
9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10 **Overpayment** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	5,180.
11 Enter the amount of line 10 to be: **Credited to 2016 estimated tax** ▶	5,180.	**Refunded** ▶	11	0.

Part VII-A Statements Regarding Activities

		Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)?	1b		X
If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities			
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ $ 0. (2) On foundation managers. ▶ $ 0.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities*	2		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7 Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ SC			
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 ▶ TNB FINANCIAL SERVICES, TRUSTEE Telephone no. ▶ (864) 766-6027
Located at ▶ PO BOX 1215, CLINTON, SC ZIP+4 ▶ 29325

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)*

		Yes	No
5a During the year did the foundation pay or incur any amount to:			
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes ☒ No		
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	☐ Yes ☒ No		
(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes ☒ No		
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 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
SEE STATEMENT 8		25,831.	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	3,938,867.
b	Average of monthly cash balances		1b	258,578.
c	Fair market value of all other assets		1c	
d	**Total** (add lines 1a, b, and c)		1d	4,197,445.
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	4,197,445.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	62,962.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	4,134,483.
6	**Minimum investment return** Enter 5% of line 5		6	206,724.

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	206,724.
2a	Tax on investment income for 2015 from Part VI, line 5	2a 1,762.		
b	Income tax for 2015. (This does not include the tax from Part VI)	2b		
c	Add lines 2a and 2b		2c	1,762.
3	Distributable amount before adjustments Subtract line 2c from line 1		3	204,962.
4	Recoveries of amounts treated as qualifying distributions		4	0.
5	Add lines 3 and 4		5	204,962.
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	204,962.

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	156,670.
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	156,670.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	**Adjusted qualifying distributions** Subtract line 5 from line 4	6	156,670.

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					204,962.
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	32,803.				
c From 2012	62,984.				
d From 2013	32,412.				
e From 2014	142,199.				
f **Total** of lines 3a through e		270,398.			
4 Qualifying distributions for 2015 from Part XII, line 4: ▶ $ 156,670.					
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					156,670.
e Remaining amount distributed out of corpus		0.			
5 Excess distributions carryover applied to 2015 (If an amount appears in column (d), the same amount must be shown in column (a).)		48,292.			48,292.
6 **Enter the net total of each column as indicated below:**					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		222,106.			
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		222,106.			
10 Analysis of line 9:					
a Excess from 2011					
b Excess from 2012	47,495.				
c Excess from 2013	32,412.				
d Excess from 2014	142,199.				
e Excess from 2015					

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:

SEE STATEMENT 9

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
CHRIST SCHOOL, INC. 500 CHRIST SCHOOL ROAD ARDEN, NC 28704			MATCHING GIFTS PROGRAM	5,000.
CLEMSON UNIVERSITY 105 SIKES HALL, BOX 345124 CLEMSON, SC 296345124			SCHOLARSHIP - RACHEL DENDY CALDWELL	2,500.
COLLEGE OF CHARLESTON 66 GEORGE STREET CHARLESTON, SC 29424			SCHOLARSHIP - VICTORIA HERNANDEZ	5,000.
CLINTON FAMILY YMCA 100 YMCA DRIVE CLINTON, SC 29325			GRANT PAYMENT	10,000.
LAURENS SCHOOL DISTRICT 56 211 NORTH BROAD STREET CLINTON, SC 29325			GRANT PAYMENT	2,500.
Total SEE CONTINUATION SHEET(S)			▶ 3a	156,670.
b Approved for future payment				
NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		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					
4 Dividends and interest from securities			14	120,525.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income			14	36.	
8 Gain or (loss) from sales of assets other than inventory			18	<70,356.>	
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.		50,205.	0.

13 Total Add line 12, columns (b), (d), and (e) ..... 13 50,205.

(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

▶ Administrator 11/7/16 ▶ Administrator

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
J. JAY PEAY, CPA		11-4-16		P01370389

Firm's name ▶ SWAIMBROWN PA — Firm's EIN ▶ 57-0783795

Firm's address ▶ P.O. BOX 299 CLINTON, SC 29325-0299 — Phone no. 864-833-4450

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
GOOD SHEPHERD FREE MEDICAL CLINIC 245 HUMAN SERVICES ROAD CLINTON, SC 29325			GRANT PAYMENT	10,620.
INDEPENDENT COLLEGES AND UNIVERSITIES OF SC 1706 SENATE STREET COLUMBIA, SC 29201			NAMED SCHOLARSHIPS PROGRAM - GRANT PAYMENT	20,000.
HOSPICE OF LAURENS COUNTY 1304 SPRINGDALE DR CLINTON, SC 29325			GRANT PAYMENT	5,000.
LIMESTONE COLLEGE 1115 COLLEGE DRIVE GAFFNEY, SC 29340			MATCHING GIFTS PROGRAM	5,000.
LYDIA PENTECOSTAL HOLINESS CHURCH 651 POPLAR STREET CLINTON, SC 29325			GRANT PAYMENT	5,000.
OPEN DOOR CHRISTIAN CENTER 209 EAST MAIN STREET CLINTON, SC 29325			GRANT PAYMENT	3,000.
PRESBYTERIAN COLLEGE 503 SOUTH BROAD STREET CLINTON, SC 29325			MATCHING GIFTS PROGRAM	1,000.
PRESBYTERIAN COLLEGE 503 SOUTH BROAD STREET CLINTON, SC 29325			SCHOLARSHIP - SALEM CLAY WRIGHT	5,000.
UNITED WAY OF LAURENS COUNTY 16 PEACHTREE STREET, SUITE B CLINTON, SC 29325			ANNUAL CAMPAIGN - GRANT PAYMENT	20,000.
UNIVERSITY OF SOUTH CAROLINA 902 SUMTER STREET ACCESS / LIEBER COLLEGE COLUMBIA, SC 29208			SCHOLARSHIP - KYLE JACOBS	5,000.
Total from continuation sheets				131,670.

THE BAILEY FOUNDATION
C/O TNB FINANCIAL SERVICES 57-6018387

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
QUEENS UNIVERSITY OF CHARLOTTE 1900 SELWYN AVENUE CHARLOTTE, NC 28274			MATCHING GIFTS PROGRAM	5,000.
WASHINGTON & LEE UNIVERSITY 200 WEST WASHINGTON STREET LEXINGTON, VA 24450			MATCHING GIFTS PROGRAM	1,000.
WOFFORD COLLEGE 429 NORTH CHURCH STREET SPARTANBURG, SC 293033663			MATCHING GIFTS PROGRAM	10,000.
CHRIST CENTRAL MINISTRIES LAURENS CO. PO BOX 22 JOANNA, SC 29351			GRANT PAYMENT	5,000.
1ST JOHN 3 MINISTRIES 1387 HWY. 56 CLINTON, SC 29325			GRANT PAYMENT	5,000.
NORTH CAROLINA STATE UNIVERSITY RALEIGH, NC 27695			MATCHING GIFTS PROGRAM	450.
WINTHROP UNIVERSITY 701 OAKLAND AVENUE ROCK HILL, SC 29733			SCHOLARSHIP - JENNIFER C. BROWN	<2,500.>
UNIVERSITY OF GEORGIA 210 S JACKSON STREET ATHENS, GA 30602			SCHOLARSHIP - ALANA M. KINARD	2,500.
CLINTON COALITION FOR YOUTH 4220 SPRINGDALE DRIVE CLINTON, SC 29325			GRANT PAYMENT	5,000.
CONVERSE COLLEGE 580 E. MAIN STREET SPARTANBURG, SC 29302			MATCHING GIFTS PROGRAM	600.
Total from continuation sheets				

523631
04-01-15

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
CLEMSON UNIVERSITY 105 SIKES HALL, BOX 345124 CLEMSON, SC 296345124			SCHOLARSHIP - JAMES WILLIAM TINSLEY	5,000.
COLLEGE OF CHARLESTON 66 GEORGE STREET CHARLESTON, SC 29424			SCHOLARSHIP - ANJALI KIRIT NAIK	5,000.
UNIVERSITY OF SOUTH CAROLINA 902 SUMTER STREET ACCESS / LIEBER COLLEGE COLUMBIA, SC 29208			SCHOLARSHIP - JOSEPH A LAFOND-FAVIERES	5,000.
UNIVERSITY OF SOUTH CAROLINA 902 SUMTER STREET ACCESS / LIEBER COLLEGE COLUMBIA, SC 29208			SCHOLARSHIP - CHRISTIAN ALISA TEMPLETON	2,500.
CLEMSON UNIVERSITY 105 SIKES HALL, BOX 345124 CLEMSON, SC 296345124			SCHOLARSHIP - PEIYING ZOU	2,500.
Total from continuation sheets				

523631
04-01-15

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
DIVIDENDS AND INTEREST	120,525.	0.	120,525.	120,525.	120,525.
TO PART I, LINE 4	120,525.	0.	120,525.	120,525.	120,525.

FORM 990-PF OTHER INCOME STATEMENT 2

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
OTHER INVESTMENT INCOME	36.	36.	36.
TOTAL TO FORM 990-PF, PART I, LINE 11	36.	36.	36.

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
SWAIMBROWN PA - ANNUAL REPORT	3,350.	3,350.	3,350.	0.
SWAIMBROWN PA - TAX RETURN	2,250.	2,250.	2,250.	0.
TO FORM 990-PF, PG 1, LN 16B	5,600.	5,600.	5,600.	0.

FORM 990-PF TAXES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAX	296.	296.	296.	0.
TO FORM 990-PF, PG 1, LN 18	296.	296.	296.	0.

FORM 990-PF OTHER EXPENSES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
HONORARIUM PAYMENTS - 6 AT $100 EACH	600.	600.	600.	0.
INVESTMENT EXPENSES	136.	136.	136.	0.
FRAMING AND ENGRAVING	227.	0.	0.	0.
TO FORM 990-PF, PG 1, LN 23	963.	736.	736.	0.

FORM 990-PF CORPORATE STOCK STATEMENT 6

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCK - SEE ATTACHED DETAIL	1,805,555.	2,127,426.
CORPORATE MUTUAL FUNDS - SEE ATTACHED DETAILS	623,328.	697,846.
TOTAL TO FORM 990-PF, PART II, LINE 10B	2,428,883.	2,825,272.

FORM 990-PF CORPORATE BONDS STATEMENT 7

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS - SEE ATTACHED DETAIL	1,291,346.	1,316,874.
TOTAL TO FORM 990-PF, PART II, LINE 10C	1,291,346.	1,316,874.

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

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
GEORGE H. CORNELSON, IV 1644 HIGHWAY 56 SOUTH CLINTON, SC 29325	ADVISORY COMMITTEE - CHAIR 0.00	0.	0.	0.
MRS. BAILEY DIXON 1 BOXWOOD GARDENS CLINTON, SC 29325	ADVISORY COMMITTEE 0.00	0.	0.	0.
TOCCOA W. SWITZER 305 EAST SOUTH STREET UNION, SC 29379	ADVISORY COMMITTEE 0.00	0.	0.	0.
WALTER S. MONTGOMERY, JR. 314 SOUTH PINE STREET, BUILDING 100 SPARTANBURG, SC 29302	ADVISORY COMMITTEE 0.00	0.	0.	0.
VIRGINIA G. VANCE 311 SOUTH BROAD STREET CLINTON, SC 29325	ADVISORY COMMITTEE 0.00	0.	0.	0.
ROBERT S. LINK, JR. P.O. BOX 1215 CLINTON, SC 29325	ADMINISTRATOR 0.00	0.	0.	0.
TNB FINANCIAL SERVICES P.O. BOX 1215 CLINTON, SC 29325	TRUSTEE 3.00	25,831.	0.	0.
NORMAN W. DIXON 835 MYRTLE STREET NE ATLANTA, GA 30308	ADVISORY COMMITTEE 0.00	0.	0.	0.
JAMES L. SWITZER, JR. MORGAN STANLEY, 100 DUNBAR STREET, SUITE 104 SPARTANBURG, SC 29360	ADVISORY COMMITTEE 0.00	0.	0.	0.
MARTIN S. CORNELSON 329 CONNECTICUT AVENUE SPARTANBURG, SC 29302	ADVISORY COMMITTEE 0.00	0.	0.	0.

FLEMING PATTERSON SUITE 520-636, 3535 PEACHTREE RD NE ATLANTA, GA 30326	ADVISORY COMMITTEE 0.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		25,831.	0.	0.

FORM 990-PF GRANT APPLICATION SUBMISSION INFORMATION STATEMENT 9
PART XV, LINES 2A THROUGH 2D

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

ROBERT S. LINK, JR., ADMINISTRATOR
PO BOX 1215
CLINTON, SC 29325

TELEPHONE NUMBER

864-766-6027

FORM AND CONTENT OF APPLICATIONS

FORMS SUPPLIED UPON REQUEST

ANY SUBMISSION DEADLINES

SCHOLARSHIPS: APRIL 15 OF THE APPLICANT'S SENIOR YEAR OF HIGH SCHOOL
ORGANIZATIONS: OCTOBER 1 OF EACH YEAR

RESTRICTIONS AND LIMITATIONS ON AWARDS

RESTRICTIONS FOR SCHOLARSHIPS NOTED IN ATTACHED. GRANT REQUESTS FROM ORGANIZATIONS ARE LIMITED TO ORGANIZATIONS OPERATING IN LAURENS COUNTY, SOUTH CAROLINA

THE BAILEY FOUNDATION
TNB FINANCIAL SERVICES, TRUSTEE
CLINTON, SOUTH CAROLINA

STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
August 31, 2016

ASSETS

Security Name	Shares / Par	Investment	Unit Price	Market Value
FIXED INCOME SECURITIES				
AT&T - 4 450% - 5/15/2021	30,000 0000	$ 31,236.15	$ 110 1500	$ 33,045 00
BANK OF AMERICA CORP - 6 750% - 8/15/2019	50,000.0000	50,000.00	112.9850	56,492 50
BERKSHIRE HATHAWAY - 5.400% - 5/15/2018	40,000.0000	42,178.46	107.1030	42,841 20
CAPITAL ONE BANK - 1 100% - 8/24/2018	150,000.0000	150,000 00	99 9880	149,982 00
CISCO SYSTEMS - 4.950% - 2/15/2019	40,000 0000	43,533.87	108 9230	43,569 20
COMCAST - 2 850% - 1/15/2019	40,000 0000	39,602 65	104.7720	41,908.80
FEDERAL FARM CREDIT BANKS - 1 380% - 3/2/2020	50,000 0000	49,925 00	100.0980	50,049.00
FEDERAL HOME LN MTG - 2 375% - 1/13/2022	40,000 0000	41,384.80	105.1950	42,078 00
FEDERAL HOME LN MTG - 3 750% - 3/27/2019	50,000 0000	53,979.26	107.0200	53,510 00
FEDERAL NATL MTG ASSN - 1.000% - 2/26/2021	50,000.0000	50,000 00	99 9580	49,979.00
FEDERAL NATL MTG ASSN - 5.375% - 6/12/2017	70,000 0000	74,512 65	103.6630	72,564 10
GENERAL ELECTRIC CAP CORP - 5 625% - 9/15/2017	40,000 0000	42,774 11	104 7300	41,892 00
HESS CORP - 8 125% - 2/15/2019	100,000.0000	103,377 31	113 0230	113,023 00
JPMORGAN CHASE & CO - 6 000% - 1/15/2018	40,000 0000	41,730 44	106 1450	42,458 00
PROVINCE OF QUEBEC - 2.750% - 8/25/2021	25,000 0000	25,370 34	105 1680	26,292 00
US TREASURY BONDS - 1.750% - 5/12/2022	50,000 0000	49,084 61	102 4380	51,219 00
US TREASURY BONDS - 1 875% - 9/30/2017	70,000.0000	71,485 86	101 2580	70,880.60
US TREASURY BONDS - 2 500% - 5/15/2024	20,000.0000	20,206 73	107.4450	21,489 00
US TREASURY BONDS - 2 500% - 8/15/2023	35,000.0000	35,529.51	107 1020	37,485 70
US TREASURY BONDS - 2 625% - 8/15/2020	90,000.0000	94,975 59	105 8630	95,276 70
US TREASURY BONDS - 3 125% - 5/15/2019	50,000.0000	53,715.88	105 9730	52,986.50
WACHOVIA CORP GLOBAL - 5.750% - 2/1/2018	40,000 0000	42,952.22	106 2120	42,484.80
WALMART STORES - 3 250% - 10/25/2020	40,000 0000	42,481 02	107.8970	43,158 80
WELLS FARGO & CO - 5.625% - 12/11/2017	40,000 0000	41,309.97	105 5230	42,209 20
Total FIXED INCOME SECURITIES	**1,250,000.0000**	**1,291,346.43**		**1,316,874.10**
EQUITIES				
ALTRIA GROUP INC	1,025.0000	38,131 95	66.0900	67,742.25
AMERICAN ELECTRIC POWER INC	200 0000	12,893 76	64.5700	12,914 00
AMGEN INC	150 0000	24,317.40	170 0600	25,509 00
APPLE COMPUTER INC	625.0000	50,248.00	106.1000	66,312 50
AT&T INC	1,775 0000	51,585.46	40.8800	72,562 00
BOEING CO	200 0000	18,924 14	129 4500	25,890 00
CME GROUP INC	675 0000	54,793 03	108 3500	73,136 25
COCA COLA CO	800.0000	26,633.20	43 4300	34,744 00
COLGATE PALMOLIVE CO	755.0000	43,072 47	74 3400	56,126 70
CONOCOPHILLIPS	775 0000	48,173.09	41.0500	31,813.75
DEERE & CO	475 0000	40,286.27	84 5500	40,161 25
DOMINION RES INC	750.0000	51,918.22	74.1600	55,620 00
DOW CHEMICAL CO	875 0000	34,342.00	53.6400	46,935 00
DUKE ENERGY CORP	700.0000	47,099 06	79.6600	55,762 00
EMERSON ELECTRIC CO	775 0000	45,248 31	52.6800	40,827.00
ENTERPRISE PRODS PARTNERS	910 0000	24,553 43	26 4000	24,024.00
EVERSOURCE ENERGY	800.0000	35,474 96	53 9700	43,176 00
EXXON MOBIL CORP	210.0000	19,238.94	87.1400	18,299 40
FLOWERS FOODS INC	700.0000	13,558 16	14 9100	10,437.00
GALLAGHER ARTHUR J & CO	600.0000	28,163 10	49.4100	29,646 00
GLAXOSMITHKLINE PLC	400 0000	16,838.00	43.4600	17,384.00
HONEYWELL INTL INC	175.0000	15,557.57	116.7100	20,424 25
INTEL CORP	1,525.0000	33,585.72	35.8900	54,732.25
ISHARES RUSSELL MIDCAP GROWTH	680 0000	62,743 31	97.5700	66,347 60
ISHARES RUSSELL MIDCAP INDEX	865.0000	62,488.91	76 7800	66,414.70
ISHARES S&P SMALLCAP 600 VALUE INDEX	540.0000	61,993 58	124.1300	67,030 20
ISHARES S&P SMALLCAP 600 GROWTH INDEX	495.0000	61,642 29	136 8200	67,725.90

THE BAILEY FOUNDATION
TNB FINANCIAL SERVICES, TRUSTEE
CLINTON, SOUTH CAROLINA

STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
August 31, 2016

ASSETS

Security Name	Shares / Par	Investment	Unit Price	Market Value
EQUITIES - (Continued)				
JOHNSON & JOHNSON CO	200 0000	$ 12,472.44	$ 119 3400	$ 23,868 00
KIMBERLY CLARK CORP	300.0000	27,490 76	128 0600	38,418 00
MCDONALDS CORP	245 0000	22,496 76	115 6600	28,336 70
MERCK & CO INC	455 0000	24,890 37	62.7900	28,569 45
MICROSOFT CORPORATION	1,375.0000	39,115.00	57.4600	79,007 50
NATIONAL GRID PLC	200 0000	14,515 88	69.4900	13,898.00
NOVARTIS A G	325.0000	25,174 88	78 7700	25,600 25
OCCIDENTAL PETROLEUM CO	450 0000	35,878 98	76 8500	34,582 50
ORACLE CORPORATION	1,350.0000	51,327 00	41.2200	55,647.00
PFIZER INC	740.0000	25,148.79	34.8000	25,752 00
PHILIP MORRIS INTL INC	575.0000	48,637 97	99.9300	57,459.75
PROCTOR & GAMBLE CO	650 0000	45,490 32	87 3100	56,751 50
QUEST DIAGNOSTICS INC	330.0000	25,393 75	82.8200	27,330 60
RATTHEON CO	550 0000	52,521 37	140 1300	77,071 50
ROYAL DUTCH SHELL PLC	375.0000	26,239 04	48 9000	18,337 50
SANOFI	655.0000	25,956 90	38 4700	25,197 85
SOUTHERN COMPANY	250.0000	12,367 25	51.3300	12,832 50
SPECTRA ENERGY CORP	750 0000	24,632 50	35.6200	26,715 00
UNITED PARCEL SERVICE CL B	400 0000	41,968 20	109.2200	43,688 00
VENTAS INC	450 0000	30,423 28	72.6700	32,701 50
VERIZON COMMUNICATIONS	1,025.0000	43,030 39	52 3300	53,638 25
VODAFONE GROUP PLC	800 0000	27,572 00	30.6500	24,520 00
WALMART STORES INC	475.0000	35,327 04	71 4400	33,934 00
WELLS FARGO & CO	750.0000	30,801 04	50.8000	38,100 00
3M CO	300 0000	33,178 41	179.2400	53,772.00
Total EQUITIES	**32,430.0000**	**1,805,554.65**		**2,127,426.35**
MUTUAL FUNDS				
AIM INTL MUTUAL FUNDS	7,140 5540	174,370.03	32.3400	230,925 52
FIDELITY SALEM STREET TRUST HIGH INCOME	7,463 5740	65,000 00	8.6600	64,634.55
HARBOR INTL FUND INST CLASS	3,700.6630	208,957.67	61.3200	226,924 66
VANGUARD FIXED INCOME SECURITIES ADMR	16,207 1400	175,000.00	10 8200	175,361 25
Total MUTUAL FUNDS	**34,511.9310**	**623,327.70**		**697,845.98**
CASH EQUIVALENTS				
TNB INSTITUTIONAL CASH ACCT	138,884.6700	138,884.67	1.0000	138,884.67
Total CASH EQUIVALENTS	**138,884.6700**	**138,884.67**		**138,884.67**
		3,859,113.45		**4,281,031.10**
CASH		-		-
ACCRUED INCOME		**14,061.63**		**14,061.63**
Total Assets		**$ 3,873,175.08**		**$ 4,295,092.73**
NET ASSETS				
Unrestricted Donated Capital Surplus		**3,873,175.08**		**4,295,092.73**
TOTAL LIABILITIES AND NET ASSETS		**$ 3,873,175.08**		**$ 4,295,092.73**