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EXTENDED TO NOVEMBER 15, 2017

Return of Private Foundation

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

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

OMB No. 1545-0052

2016

Open to Public Inspection

Form 990-PF

Department of the Treasury
Internal Revenue Service

For calendar year 2016 or tax year beginning

, and ending

Name of foundation

HUGH I. SHOTT, JR. FOUNDATION INC.

Number and street (or P.O. box number if mail is not delivered to street address)

500 FEDERAL STREET

Room/suite

A Employer identification number

55-0650833

B Telephone number

304-324-3283

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

BLUEFIELD, WV 24701

G Check all that apply:

☐ Initial return☐ Initial return of a former public charity☐ Final return☐ Amended return☐ Address change☐ Name change

H Check type of organization:

☒ Section 501(c)(3) exempt private foundation☐ Section 4947(a)(1) nonexempt charitable trust☐ Other taxable private foundation

I Fair market value of all assets at end of year

(from Part II, col (c), line 16)

\$ 41,891,246. (Part I, column (d) must be on cash basis)

J Accounting method:

☒ Cash☐ Accrual☐ Other (specify)C If exemption application is pending, check here ☐D 1. Foreign organizations, check here ☐2. Foreign organizations meeting the 85% test, check here and attach computation ☐E If private foundation status was terminated under section 507(b)(1)(A), check here ☐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	300.		N/A	
	2	Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3	Interest on savings and temporary cash investments	1,445.	1,445.		STATEMENT 1
	4	Dividends and interest from securities	1,080,350.	1,080,350.		STATEMENT 2
	5a	Gross rents	102,954.	102,954.		STATEMENT 3
	b	Net rental income or (loss)	38,332.			STATEMENT 4
	6a	Net gain or (loss) from sale of assets not on line 10	3,909,939.			
	b	Gross sales price for all assets on line 6a	7,884,683.			
	7	Capital gain net income (from Part IV, line 2)		3,909,939.		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
Operating and Administrative Expenses	b	Less: Cost of goods sold				
	c	Gross profit or (loss)				
	11	Other income	1,416,304.			
	12	Total. Add lines 1 through 11	6,511,292.	5,094,688.		STATEMENT 5
	13	Compensation of officers, directors, trustees, etc.	40,000.	10,000.		30,000.
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees				
	b	Accounting fees	STMT 6 20,890.	15,668.		5,222.
	c	Other professional fees	STMT 7 201,902.	192,702.		0.
	17	Interest				
	18	Taxes	STMT 8 268,070.	20,070.		0.
	19	Depreciation and depletion	33,546.	33,546.		
	20	Occupancy				
	21	Travel, conferences, and meetings	396.	99.		297.
	22	Printing and publications				
	23	Other expenses	STMT 9 28,381.	20,345.		4,903.
	24	Total operating and administrative expenses. Add lines 13 through 23	593,185.	292,430.		40,422.
	25	Contributions, gifts, grants paid	767,339.			767,339.
	26	Total expenses and disbursements. Add lines 24 and 25	1,360,524.	292,430.		807,761.
	27	Subtract line 26 from line 12:				
	a	Excess of revenue over expenses and disbursements	5,150,768.			
	b	Net investment income (if negative, enter -0-)		4,802,258.		
	c	Adjusted net income (if negative, enter -0-)			N/A	

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	429,087.	1,522,155.	1,522,155.
	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 11	28,820,798.	26,462,225.	26,462,225.
	c Investments - corporate bonds	503,845.		
	11 Investments - land, buildings, and equipment basis ▶ 1,104,000.			
Less accumulated depreciation ▶	1,104,000.	1,104,000.	1,104,000.	
12 Investments - mortgage loans				
13 Investments - other STMT 12	5,971,055.	12,802,866.	12,802,866.	
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)	36,828,785.	41,891,246.	41,891,246.	
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 ▶ <input checked="" type="checkbox"/> X and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted	36,828,785.	41,891,246.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input type="checkbox"/>			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances	36,828,785.	41,891,246.	
31 Total liabilities and net assets/fund balances	36,828,785.	41,891,246.		

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	36,828,785.
2 Enter amount from Part I, line 27a	2	5,150,768.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	41,979,553.
5 Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 10	5	88,307.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	41,891,246.

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 STATEMENT	P	VARIOUS	VARIOUS
b SEE ATTACHED STATEMENT	P	12/15/15	10/05/16
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 7,831,655.		3,973,524.	3,858,131.
b 3,775.		1,220.	2,555.
c 49,253.			49,253.
d			
e			

(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			3,858,131.
b			2,555.
c			49,253.
d			
e			

2 Capital gain net income or (net capital loss)	<div style="display: flex; align-items: center;"> <div style="border-left: 1px solid black; padding-left: 5px;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div> <div style="margin-left: 10px;"> <div style="border-top: 1px solid black; border-bottom: 1px solid black; width: 20px; height: 20px;"></div> </div> </div>	2	3,909,939.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):	<div style="display: flex; align-items: center;"> <div style="border-left: 1px solid black; padding-left: 5px;"> If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8 </div> <div style="margin-left: 10px;"> <div style="border-top: 1px solid black; border-bottom: 1px solid black; width: 20px; height: 20px;"></div> </div> </div>	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))
2015	3,103,327.	39,112,921.	.079343
2014	1,654,285.	38,726,464.	.042717
2013	1,584,074.	35,066,473.	.045173
2012	1,680,531.	32,342,344.	.051961
2011	1,354,516.	32,613,219.	.041533

2 Total of line 1, column (d)	2	.260727
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	.052145
4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	39,581,674.
5 Multiply line 4 by line 3	5	2,063,986.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	48,023.
7 Add lines 5 and 6	7	2,112,009.
8 Enter qualifying distributions from Part XII, line 4	8	807,761.

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

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-)

3 Add lines 1 and 2

4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-

6 Credits/Payments:

a 2016 estimated tax payments and 2015 overpayment credited to 2016

b Exempt foreign organizations - tax withheld at source

c Tax paid with application for extension of time to file (Form 8868)

d Backup withholding erroneously withheld

7 Total credits and payments. Add lines 6a through 6d

8 Enter any penalty for underpayment of estimated tax. Check here ☒ if Form 2220 is attached

9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed

10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid

11 Enter the amount of line 10 to be: Credited to 2017 estimated tax

27,924. Refunded

Part VII-A Statements Regarding Activities

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?

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

c Did the foundation file Form 1120-POL for this year?

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

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

4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?

b If "Yes," has it filed a tax return on Form 990-T for this year?

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?

If "Yes," attach the statement required by General Instruction T

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?

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

8a Enter the states to which the foundation reports or with which it is registered (see instructions)

WV

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

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 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? If "Yes," complete Part XIV

10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses

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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)		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)		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	X	
Website address ► N/A		
14 The books are in care of ► SUMMIT COMMUNITY BANK TRUST & WEALT Telephone no. ► 304-324-3283 Located at ► 500 FEDERAL STREET, BLUEFIELD, WV ZIP+4 ► 24701		
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	
16 At any time during calendar year 2016, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ►	Yes	No
	16	X

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here		X
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 2016?		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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? If "Yes," list the years ►	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
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	
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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If "Yes," did it have excess business holdings in 2016 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 2016)	N/A	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		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 2016?		X

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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

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?

If "Yes" to 6b, file Form 8870.

6b

☒

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 13		40,000.	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

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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	37,856,545.
b	Average of monthly cash balances	1b	1,223,896.
c	Fair market value of all other assets	1c	1,104,000.
d	Total (add lines 1a, b, and c)	1d	40,184,441.
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	40,184,441.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	602,767.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	39,581,674.
6	Minimum investment return. Enter 5% of line 5	6	1,979,084.

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	1,979,084.
2a	Tax on investment income for 2016 from Part VI, line 5	2a	96,045.
b	Income tax for 2016. (This does not include the tax from Part VI.)	2b	188,945.
c	Add lines 2a and 2b	2c	284,990.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,694,094.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	1,694,094.
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	1,694,094.

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	807,761.
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	807,761.
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	807,761.

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 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				1,694,094.
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only			689,088.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2016:				
a From 2011				
b From 2012				
c From 2013				
d From 2014				
e From 2015				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2016 from Part XII, line 4: ► \$ 807,761.				
a Applied to 2015, but not more than line 2a			689,088.	
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 2016 distributable amount				118,673.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2016 (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	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2015. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2016. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2017				1,575,421.
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 2011 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2017 Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2012				
b Excess from 2013				
c Excess from 2014				
d Excess from 2015				
e Excess from 2016				

Part XV Supplementary Information (continued)**3** Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	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
Name and address (home or business)				
a Paid during the year				
BLUEWELL IMPROVEMENT ASSOCIATION	NONE	PUBLIC	CHARITABLE - PLUGS FOR CHRISTMAS LIGHTS	5,000.
CITY OF BLUEFIELD WV	NONE	PUBLIC	CHARITABLE - OUTFITTING AND REMODELING NEW POLICE SUBSTATION	90,350.
CITY OF BLUEFIELD WV	NONE	PUBLIC	CHARITABLE - FIVE NEW POLICE VEHICLES	100,000.
CITY OF BLUEFIELD WV	NONE	PUBLIC	CHARITABLE - IMPROVEMENTS TO CITY AUDITORIUM	244,500.
COMMUNITY CONNECTIONS INC	NONE	PUBLIC	CHARITABLE - MATCHING GRANT FOR PRINCETON RENAISSANCE PROJECT	50,001.
Total	SEE CONTINUATION SHEET(S)			767,339.
b Approved for future payment				
NONE				
Total				0.

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
CONCORD UNIVERSITY FOUNDATION, ATHENS, WV	NONE	PUBLIC	EDUCATIONAL - FUNDRAISING DINNERS	2,000.
EAST RIVER SOCCER ASSOCIATION	NONE	PUBLIC	CHARITABLE - MATCHING GRANT RENOVATION PROJECT	31,000.
MERCER COUNTY AIRPORT AUTHORITY	NONE	PUBLIC	CHARITABLE - REPAIR OF HANGAR DOORS AND INSTALLATION OF INFRARED HEATERS	13,628.
ABEL CRISIS PREGNANCY CENTER	NONE	PUBLIC	CHARITABLE - NEW ULTRASOUND MACHINE	16,000.
COMMUNITY FOUNDATION OF THE VIRGINIAS	NONE	PUBLIC	CHARITABLE - IMPROVEMENTS TO TRAILS AT BLUEFIELD CITY PARK	7,314.
BRAMWELL THEATRE CORPORATION	NONE	PUBLIC	CHARITABLE - RESTORATION OF MASONIC TEMPLE BUILDING	102,500.
JOHN CHAPMAN CHAPTER NATIONAL	NONE	PUBLIC	CHARITABLE - REPAIRS AND IMPROVEMENTS TO THE DAVIDSON CABIN	5,000.
MERCER COUNTY HISTORICAL SOCIETY	NONE	PUBLIC	CHARITABLE - ROOF REPAIRS	14,940.
RECOVERY POINT OF HUNTINGTON	NONE	PUBLIC	CHARITABLE - RENOVATIONS AT FOUR SEASONS RECOVERY CENTER	41,850.
TOWN OF BLUEFIELD VIRGINIA	NONE	PUBLIC	CHARITABLE - PLAYGROUND EQUIPMENT	40,000.
Total from continuation sheets				277,488.

3 Grants and Contributions Paid During the Year (Continuation)

Recipient	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
Name and address (home or business)				
TOWN OF MATOAKA WV	NONE	PUBLIC	CHARITABLE - REBUILDING TREATMENT PLANT PUMP	2,700.
WV MEDIA K-1				556.
Total from continuation sheets				

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
FIRST CENTURY MONEY MARKET ACCOUNTS	1,445.	1,445.	
TOTAL TO PART I, LINE 3	1,445.	1,445.	

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
FIRST CENTURY SECURITIES	1,129,603.	49,253.	1,080,350.	1,080,350.	
TO PART I, LINE 4	1,129,603.	49,253.	1,080,350.	1,080,350.	

FORM 990-PF RENTAL INCOME STATEMENT 3

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
BUILDINGS - BLUEFIELD, WV	1	102,954.
TOTAL TO FORM 990-PF, PART I, LINE 5A		102,954.

FORM 990-PF RENTAL EXPENSES STATEMENT 4

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
DEPRECIATION		33,546.	
REPAIRS - RENTAL		8,574.	
TAXES - RENTAL		14,330.	
INSURANCE - RENTAL		8,172.	
- SUBTOTAL -	1		64,622.
TOTAL RENTAL EXPENSES			64,622.
NET RENTAL INCOME TO FORM 990-PF, PART I, LINE 5B			38,332.

FORM 990-PF	OTHER INCOME		STATEMENT	5
DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	
WEST VIRGINIA MEDIA PARTNERS, L.P.	1,416,304.	0.		
TOTAL TO FORM 990-PF, PART I, LINE 11	1,416,304.	0.		

FORM 990-PF	ACCOUNTING FEES		STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	20,890.	15,668.		5,222.
TO FORM 990-PF, PG 1, LN 16B	20,890.	15,668.		5,222.

FORM 990-PF	OTHER PROFESSIONAL FEES		STATEMENT	7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
AGENT FEE	250.	250.		0.
TRUST INVESTMENT FEES	192,452.	192,452.		0.
REAL ESTATE APPRAISAL FEES	9,200.	0.		0.
TO FORM 990-PF, PG 1, LN 16C	201,902.	192,702.		0.

FORM 990-PF	TAXES		STATEMENT	8
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAX WITHHELD	5,715.	5,715.		0.
EXCISE TAXES	248,000.	0.		0.
OTHER TAXES	25.	25.		0.
TAXES - RENTAL	14,330.	14,330.		0.
TO FORM 990-PF, PG 1, LN 18	268,070.	20,070.		0.

FORM 990-PF	OTHER EXPENSES			STATEMENT	9
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
LIABILITY INSURANCE	4,384.	2,192.		2,192.	
DUES AND SUBSCRIPTIONS	3,615.	904.		2,711.	
PORTFOLIO DEDUCTIONS	503.	503.		0.	
MISCELLANEOUS	3,133.	0.		0.	
REPAIRS - RENTAL	8,574.	8,574.		0.	
INSURANCE - RENTAL	8,172.	8,172.		0.	
TO FORM 990-PF, PG 1, LN 23	28,381.	20,345.		4,903.	

FORM 990-PF	OTHER DECREASES IN NET ASSETS OR FUND BALANCES	STATEMENT	10
DESCRIPTION		AMOUNT	
UNREALIZED GAINS (LOSSES) ON INVESTMENTS FOR THE YEAR		88,307.	
TOTAL TO FORM 990-PF, PART III, LINE 5		88,307.	

FORM 990-PF	CORPORATE STOCK		STATEMENT	11
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE		
DISCOVER FINANCIAL SERVICES PFD	256,800.	256,800.		
DOMINION RESOURCES INC PEF	473,479.	473,479.		
PRUDENTIAL FINANCIAL INC JR SUB	247,600.	247,600.		
SENIOR HOUSING PROPERTIES TRUST PFD SER	116,550.	116,550.		
VORNADO REALTY TRUST PFD SER K	117,800.	117,800.		
WELLS FARGO & CO CL A PFD 5.125%	230,000.	230,000.		
WELLTOWER INC 6.50 PFD	300,900.	300,900.		
STANLEY BLACK & DECKER INC CORP UNIT SER 6.25%				
PREF CONV	349,460.	349,460.		
AIR PRODUCTS & CHEMICALS INC	524,943.	524,943.		
AT&T INC	153,108.	153,108.		
AUTODESK INC	444,060.	444,060.		
BAXTER INTERNATIONAL INC	443,400.	443,400.		
BLACK HILLS CORP	690,075.	690,075.		
CISCO SYSTEMS INC	253,848.	253,848.		
COCA-COLA INC	829,200.	829,200.		
CSX CORP	909,029.	909,029.		
DOW CHEMICAL CO	755,304.	755,304.		

DU PONT E I DE NEMOURS & CO	734,000.	734,000.
DUKE ENERGY CORP	206,935.	206,935.
EDWARDS LIFESCIENCES CORP	577,192.	577,192.
ELI LILLY & CO	588,400.	588,400.
EMERSON ELECTRIC CO	557,500.	557,500.
EQUITY COMWLTH COM REIT	106,596.	106,596.
EXPRESS SCRIPTS HLDG	215,794.	215,794.
EXXON MOBIL CORP	726,593.	726,593.
FEDERATED INVESTORS INC	282,800.	282,800.
FIRST CENTURY BANKSHARES INC	1,067,443.	1,067,443.
FISERV INC	637,680.	637,680.
GENERAL DYNAMICS CORP	863,300.	863,300.
GENERAL ELECTRIC CO	758,400.	758,400.
HOSPITALITY PROPERTIES TRUST	158,700.	158,700.
INTEL CORP	616,590.	616,590.
INTERCONTINENTAL EXCHANGE INC COM	482,955.	482,955.
INTERNATIONAL BUSINESS MACHINES CORP	331,980.	331,980.
ISHARES NASDAQ BIOTECHNOLOGY MKT	185,766.	185,766.
JOHNSON & JOHNSON	576,050.	576,050.
MERCK & CO INC	746,884.	746,884.
MICROSOFT CORP	807,820.	807,820.
ORACLE CORP	576,750.	576,750.
PROCTOR & GAMBLE CO	842,482.	842,482.
QUANTA SERVICES INC	348,500.	348,500.
RAYTHEON CO	710,000.	710,000.
RGC RESOURCES INC	701,938.	701,938.
SENIOR HOUSING PROPERTIES TRUST	26,691.	26,691.
UNITED PARCEL SERVICE	229,280.	229,280.
UNITED TECHNOLOGIES CORP	168,705.	168,705.
VERIZON COMMUNICATIONS INC	160,140.	160,140.
WALT DISNEY COMPANY	1,459,080.	1,459,080.
WASTE MANAGEMENT INC	354,550.	354,550.
ABB LTD SPONSORED ADR	210,700.	210,700.
BP PLC SPONSORED ADR	373,800.	373,800.
ROYAL DUTCH SHELL PLC ADR	163,140.	163,140.
SCHLUMBERGER LTD	755,550.	755,550.
SIEMENS AG ADR	492,780.	492,780.
TRANSOCEAN LTD	23,953.	23,953.
FIRST TRUST PREFERRED SEC & INC	286,749.	286,749.
SHIRE PLC SPON ADR	252,503.	252,503.
TOTAL TO FORM 990-PF, PART II, LINE 10B	26,462,225.	26,462,225.

FORM 990-PF

OTHER INVESTMENTS

STATEMENT 12

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
WV MEDIA PARTNERS, LP	FMV	1,920,000.	1,920,000.
BLACKSTONE GSO SENIOR FLOATING RATE FUND	FMV	216,960.	216,960.
LOOMIS SAYLES STRATEGIC INC Y	FMV	476,030.	476,030.
OSTERWEIS STRATEGIC INCOME	FMV	1,037,751.	1,037,751.
ISHARES RUSSELL 1000 GROWTH MKT	FMV	314,700.	314,700.
ISHARES SELECT DIVIDEND MKT	FMV	177,140.	177,140.
POWERSHARES QQQ MKT	FMV	236,960.	236,960.
ISHARES RUSSELL MID-CAP MKT	FMV	357,720.	357,720.
ISHARES RUSSELL 2000 MKT	FMV	269,700.	269,700.
ISHARES CHINA LARGE-CAP MKT	FMV	173,550.	173,550.
ISHARES EUROPE MKT	FMV	388,100.	388,100.
ISHARES GLOBAL INDUSTRIALS MKT	FMV	376,800.	376,800.
ISHARES MSCI EAFE MKT	FMV	577,300.	577,300.
ISHARES MSCI EMERGING MARKETS	FMV	250,322.	250,322.
ISHARES MSCI JAPAN MKT	FMV	183,225.	183,225.
IPATH BLOOMBERG PLATINUM SUBINDEX TR ETN	FMV	37,218.	37,218.
ISHARES GLOBAL MATERIALS MKT	FMV	274,150.	274,150.
ISHARES GOLD TRUST MKT	FMV	110,800.	110,800.
ISHARES CORE TOTAL US BOND MARKET ETF MKT	FMV	2,852,784.	2,852,784.
SPDR BLOOMBERG BARCLAYS CONVERTIBLE SECURITIES ETF	FMV	456,500.	456,500.
FIRST TR EXCHANGE-TRADED FD III HYLS	FMV	921,193.	921,193.
ISHARES CORE INTERNATIONAL AGGREGATE BOND	FMV	389,100.	389,100.
FIRST TRUST NORTH AMERICAN ENERGY INFRASTRUCTURE FUND	FMV	417,722.	417,722.
ISHARES US PREFERRED STOCK MKT	FMV	130,235.	130,235.
MATTHEWS ASIA SMALL COMPANIES FUND	FMV	256,905.	256,905.
INST CL MISMX		1.	1.
PRINCETON AREA BUSINESS DEV CORP	FMV	1.	1.
TOTAL TO FORM 990-PF, PART II, LINE 13		12,802,866.	12,802,866.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS STATEMENT 13
 TRUSTEES AND FOUNDATION MANAGERS

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
FRANK W. WILKINSON BLUEFIELD, WV 24701	VICE PRESIDENT 5.00	40,000.	0.	0.
B.K. SATTERFIELD BLUEFIELD, WV 24701	TREASURER 1.00	0.	0.	0.
JOHN H. SHOTT BLUEFIELD, WV 24701	PRESIDENT 1.00	0.	0.	0.
W. CHANDLER SWOPE BLUEFIELD, WV 24701	DIRCETOR 1.00	0.	0.	0.
MICHAEL R. SHOTT BLUEFIELD, WV 24701	DIRCETOR 1.00	0.	0.	0.
JAMES H. SHOTT III BLUEFIELD, WV 24701	SECRETARY 1.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		40,000.	0.	0.

FORM 990-PF

GRANT APPLICATION SUBMISSION INFORMATION
PART XV, LINES 2A THROUGH 2D

STATEMENT 14

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

THE HUGH I. SHOTT, JR. FOUNDATION, INC. C/O FIRST CENTURY BANK OF BLUEFIELD
PO BOX 1559
BLUEFIELD, WV 24701

TELEPHONE NUMBER

304-324-3222

FORM AND CONTENT OF APPLICATIONS

SEE ATTACHED

ANY SUBMISSION DEADLINES

N/A

RESTRICTIONS AND LIMITATIONS ON AWARDS

LIMITED TO SOUTHWEST VIRGINIA AND SOUTHERN WEST VIRGINIA