

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

2002

Note The organization may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2002, or tax year beginning _____, and ending _____
6 Check all that apply: Initial return Final return Amended return Address change Name change

Use the IRS label Otherwise, print or type See Specific Instructions	Name of organization CHARIS FOUNDATION, INC. C/O STEINER & ELLIS, PLLC Number and street (or P O box number if mail is not delivered to street address) Room/suite 5516 LONAS DRIVE 260 City or town, state, and ZIP code KNOXVILLE, TN 37909	A Employer identification number 62-1867423 B Telephone number (865) 212-3800
H Check type of organization	<input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation	
Fair market value of all assets at end of year (from Part II, col (c), line 16)	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	
\$	8,506,254. (Part I, column (d) must be on cash basis)	

Part I Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)</small>	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B			N/A	
2 Distributions from split-interest trusts				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities	132,190.	132,190.		STATEMENT 2
5a Gross rents				
b (Net rental income or (loss))				
6a Net gain or (loss) from sale of assets not on line 10	<565,234.>			STATEMENT 1
b Gross sales price for all assets on line 6a	2,960,323.			
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	EXTENDED			
b Less: Cost of goods sold				
c Gross profit or (loss)				
11 Other income				
12 Total Add lines 1 through 11	<433,044.>	132,190.		
13 Compensation of officers, directors, trustees, etc	0.	0.		0.
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees				
b Accounting fees	2,500.	0.		2,500.
c Other professional fees				
17 Interest				
18 Taxes	6,734.	3,734.		0.
19 Depreciation and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses	34,146.	34,146.		0.
24 Total operating and administrative expenses Add lines 13 through 23	43,380.	37,880.		2,500.
25 Contributions, gifts, grants paid	428,600.			428,600.
26 Total expenses and disbursements Add lines 24 and 25	471,980.	37,880.		431,100.
27 Subtract line 26 from line 12	<905,024.>			
a Excess of revenue over expenses and disbursements				
b Net investment income (if negative enter -0-)		94,310.		
c Adjusted net income (if negative, enter -0-)			N/A	

ENVELOPE NOV 17 2003

SCANNED NOV 2 2003

Operating and Administrative Expenses

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CHARIS FOUNDATION, INC.

Form 990-PF (2002)

C/O STEINER & ELLIS, PLLC

62-1867423

Page 2

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		20,701.	20,701.
	2 Savings and temporary cash investments	8,201,538.	430,628.	430,628.
	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	1,800,604.	5,131,921.	4,489,700.
	c Investments - corporate bonds STMT 7	0.	2,498,868.	2,592,857.
11 Investments - land, buildings, and equipment basis ▶				
Less accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other STMT 8	0.	1,015,000.	972,368.	
14 Land, buildings, and equipment basis ▶				
Less accumulated depreciation ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers)	10,002,142.	9,097,118.	8,506,254.	
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	Organizations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31 ▶ <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Organizations that do not follow SFAS 117, check here and complete lines 27 through 31 ▶ <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	10,002,142.	9,097,118.	
30 Total net assets or fund balances	10,002,142.	9,097,118.		
31 Total liabilities and net assets/fund balances	10,002,142.	9,097,118.		

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	10,002,142.
2 Enter amount from Part I, line 27a	2	<905,024.>
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	9,097,118.
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	9,097,118.

CHARIS FOUNDATION, INC.

Form 990-PF (2002)

C/O STEINER & ELLIS, PLLC

62-1867423

Page 3

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 STATEMENT 11	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 2,960,323.		3,525,557.	<565,234.>
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a			<565,234.>
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	<565,234.>
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 organization liable for the section 4942 tax on the distributable amount of any year in the base period?

Yes No

If "Yes," the organization does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see 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))
2001	0.	448,414.	.0000000
2000			
1999			
1998			
1997			

2 Total of line 1, column (d)	2	.0000000
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	.0000000
4 Enter the net value of noncharitable-use assets for 2002 from Part X, line 5	4	9,250,277.
5 Multiply line 4 by line 3	5	0.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	943.
7 Add lines 5 and 6	7	943.
8 Enter qualifying distributions from Part XII, line 4 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	8	431,100.

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 <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling letter _____ (attach copy of ruling letter if necessary-see instructions)		
b	Domestic organizations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	943.
c	All other domestic organizations 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	943.
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	943.
6	Credits/Payments		
a	2002 estimated tax payments and 2001 overpayment credited to 2002	6a	3,000.
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	3,000.
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	2,057.
11	Enter the amount of line 10 to be Credited to 2003 estimated tax <input type="checkbox"/> Refunded <input checked="" type="checkbox"/>	11	0.

Part VII-A Statements Regarding Activities

	Yes	No
1a		X
1b		X
1c		X
2		X
3		X
4a		X
4b		X
5		X
6	X	
7	X	
8a		
8b	X	
9		X
10		X
11	X	

1a During the tax year, did the organization attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?

1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for 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 organization in connection with the activities

1c Did the organization file Form 1120-POL for this year?

2 Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year
(1) On the organization \$ 0. (2) On organization managers \$ 0.

3 Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on organization managers \$ 0.

2 Has the organization 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 organization 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 organization have unrelated business gross income of \$1,000 or more during the year?

4b If "Yes," has it filed a tax return on Form 990-T for this year? N/A

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 organization 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) TENNESSEE

8b If the answer is "Yes" to line 7, has the organization 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 organization claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2002 or the taxable year beginning in 2002 (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.

11 Did the organization comply with the public inspection requirements for its annual returns and exemption application?
Web site address N/A

12 The books are in care of STEINER & ELLIS, PLLC Telephone no (865) 212-3800
Located at 5516 LONAS DRIVE, STE. 260, KNOXVILLE, TN ZIP+4 37909

13 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 13 N/A

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 organization (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(6)	Agree to pay money or property to a government official? (Exception Check "No" if the organization 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 page 19 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A	
c	Did the organization 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 2002?		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the organization was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2002, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2002? 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 organization 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 organization 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 2002 as a result of (1) any purchase by the organization 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 organization had excess business holdings in 2002)	N/A	
4a	Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes?		X
b	Did the organization 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 2002?		X
5a	During the year did the organization pay or incur any amount to		
(1)	Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4)	Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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)? Organizations relying on a current notice regarding disaster assistance check here	N/A	
c	If the answer is "Yes" to question 5a(4), does the organization claim exemption from the tax because it maintained expenditure responsibility for the grant? If "Yes," attach the statement required by Regulations section 53 4945-5(d)	N/A	
6a	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If you answered "Yes" to 6b, also file Form 8870		X

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
WILLIAM E. HASLAM 7112 SHERWOOD DRIVE KNOXVILLE, TN 37919	PRESIDENT & DIRECTOR	0.	0.	0.
CRISTEN G. HASLAM 7112 SHERWOOD DRIVE KNOXVILLE, TN 37919	VICE PRESIDENT & DIRECTOR	0.	0.	0.
J. TODD ELLIS 5516 LONAS DRIVE, STE. 260 KNOXVILLE, TN 37909	SECRETARY, TREASURER & DIR	0.	0.	0.

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

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NO COMPENSATED EMPLOYEES				

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

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 NO DIRECT CHARITABLE ACTIVITIES IN 2002	
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 NO PROGRAM RELATED INVESTMENTS IN 2002	
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	7,271,975.
b Average of monthly cash balances	1b	2,119,169.
c Fair market value of all other assets	1c	
d Total (add lines 1a, b, and c)	1d	9,391,144.
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	9,391,144.
4 Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	140,867.
5 Net value of noncharitable-use assets Subtract line 4 from line 3 Enter here and on Part V, line 4	5	9,250,277.
6 Minimum investment return Enter 5% of line 5	6	462,514.

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	462,514.
2a Tax on investment income for 2002 from Part VI, line 5	2a	943.	
b Income tax for 2002 (This does not include the tax from Part VI)	2b		
c Add lines 2a and 2b	2c	943.	
3 Distributable amount before adjustments Subtract line 2c from line 1	3	461,571.	
4a Recoveries of amounts treated as qualifying distributions	4a	0.	
b Income distributions from section 4947(a)(2) trusts	4b	0.	
c Add lines 4a and 4b	4c	0.	
5 Add lines 3 and 4c	5	461,571.	
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	461,571.	

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	431,100.
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	431,100.
5 Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b	5	943.
6 Adjusted qualifying distributions Subtract line 5 from line 4	6	430,157.

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 2001	(c) 2001	(d) 2002
1 Distributable amount for 2002 from Part XI, line 7				461,571.
2 Undistributed income if any as of the end of 2001				
a Enter amount for 2001 only			6,714.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2002				
a From 1997				
b From 1998				
c From 1999				
d From 2000				
e From 2001				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2002 from Part XII, line 4 ▶ \$ 431,100.				
a Applied to 2001, but not more than line 2a			6,714.	
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 2002 distributable amount				424,386.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2002 (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 2001 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2002 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2003				37,185.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3)	0.			
8 Excess distributions carryover from 1997 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2003 Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 1998				
b Excess from 1999				
c Excess from 2000				
d Excess from 2001				
e Excess from 2002				

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 2002, enter the date of the ruling ▶

b Check box to indicate whether the organization is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year		Prior 3 years		(e) Total
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	
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 organization had \$5,000 or more in assets at any time during the year-see page 25 of the 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))

SEE STATEMENT 9

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 organization only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the organization 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 of the person to whom applications should be addressed
WILLIAM E. HASLAM, 7112 SHERWOOD DRIVE, KNOXVILLE, TN 37919 (865) 588-7488

b The form in which applications should be submitted and information and materials they should include
SEE STATEMENT 10

c Any submission deadlines
JUNE 30, DECEMBER 31

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors
ONLY TO TAX EXEMPT 501(C)(3) ORGANIZATIONS; PREFERENCE GIVEN TO ORGANIZATIONS IN THE EAST TENNESSEE AREA.

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				
STATEMENT 13				428,600.
Total			▶ 3a	428,600.
b Approved for future payment				
NONE				
Total			▶ 3b	0.

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 1

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED PURCHASED	(E) DATE ACQUIRED	(F) DATE SOLD	GAIN OR LOSS
STATEMENT 11	2,960,323.	3,525,557.	0.		0.		<565,234.>
CAPITAL GAINS DIVIDENDS FROM PART IV							0.
TOTAL TO FORM 990-PF, PART I, LINE 6A							<565,234.>

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
MORGAN STANLEY	132,190.	0.	132,190.
TOTAL TO FM 990-PF, PART I, LN 4	132,190.	0.	132,190.

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAX COMPLIANCE AND CONSULTING	2,500.	0.		2,500.
TO FORM 990-PF, PG 1, LN 16B	2,500.	0.		2,500.

FORM 990-PF	TAXES			STATEMENT 4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	3,714.	3,714.		0.
FEDERAL TAXES	3,000.	0.		0.
TENNESSEE ANNUAL REPORT FEE	20.	20.		0.
TO FORM 990-PF, PG 1, LN 18	6,734.	3,734.		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
INVESTMENT EXPENSES	33,966.	33,966.		0.
BANK CHARGES	180.	180.		0.
TO FORM 990-PF, PG 1, LN 23	34,146.	34,146.		0.

FORM 990-PF	CORPORATE STOCK		STATEMENT 6
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE	
STATEMENT 12	5,131,921.	4,489,700.	
TOTAL TO FORM 990-PF, PART II, LINE 10B	5,131,921.	4,489,700.	

FORM 990-PF	CORPORATE BONDS		STATEMENT 7
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE	
STATEMENT 12	2,498,868.	2,592,857.	
TOTAL TO FORM 990-PF, PART II, LINE 10C	2,498,868.	2,592,857.	

FORM 990-PF OTHER INVESTMENTS STATEMENT 8

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
MORGAN STANLEY LIQUID MARKETS FUND	1,015,000.	972,368.
TOTAL TO FORM 990-PF, PART II, LINE 13	1,015,000.	972,368.

FORM 990-PF PART XV - LINE 1A LIST OF FOUNDATION MANAGERS STATEMENT 9

NAME OF MANAGER
 WILLIAM E. HASLAM
 CRISTEN G. HASLAM

FORM 990-PF PART XV, LINE 2B APPLICATION REQUIREMENTS STATEMENT 10

DESCRIPTION
 WRITTEN REQUEST STATING AMOUNT AND PURPOSE OF REQUEST, MOST RECENT AUDITED FINANCIAL STATEMENTS, AND COPY OF TAX EXEMPT RULING

(a) List and describe the kinds of property sold	(b) How Acquired	(c) Date Acquired	(d) Date Sold	(e) Gross Sales Price	(g) Cost or Other Basis	(h) Gain or (Loss)
Security	No. Shares	Date Purchased	Date Sold	Proceeds	Cost	Gain/(Loss)
Elan Corp PLC ADR	565	P 12/28/01	01/30/02	13,362	25,256	(11,893)
Vivendi Universal	735	P 12/28/01	02/27/02	27,870	40,021	(12,151)
Vivendi Universal	206	P 02/07/02	02/27/02	7,811	8,162	(351)
Sap AG NPV Ords	231	P 12/28/01	05/24/02	24,561	30,012	(5,451)
Sap AG NPV Ords	67	P 02/06/02	05/24/02	7,124	8,949	(1,825)
FHLB 12/28/05	500,000	P 03/12/02	06/28/02	500,000	500,000	-
Advent Software Inc	1,000	P 01/23/02	07/02/02	16,667	50,805	(34,138)
Advent Software Inc	700	P 02/06/02	07/02/02	11,667	35,660	(23,993)
Advent Software Inc	300	P 05/15/02	07/02/02	5,000	14,413	(9,413)
FHLB 4/9/08	500,000	P 03/19/02	07/09/02	500,000	500,000	-
Axa Sa	1,427	P 12/28/01	07/25/02	15,634	29,996	(14,361)
Axa Sa	413	P 02/07/02	07/25/02	4,525	7,091	(2,566)
Cablevision NY Group Class A	2,400	P 02/26/02	07/25/02	15,615	85,448	(69,834)
Cablevision NY Group Class A	400	P 03/20/02	07/25/02	2,602	15,068	(12,466)
Cablevision NY Group Class A	400	P 04/17/02	07/25/02	2,602	11,392	(8,790)
Travelers PPTY Cas Corp - A	1	P 01/02/02	08/27/02	14	23	(9)
FHLB 8/28/06	500,000	P 02/11/02	08/28/02	500,000	500,000	-
Travelers PPTY Cas Corp - B	1	P 01/02/02	08/28/02	8	14	(6)
Travelers PPTY Cas Corp - A	47	P 01/02/02	09/05/02	652	1,081	(430)
Travelers PPTY Cas Corp - A	35	P 02/08/02	09/05/02	484	719	(235)
Travelers PPTY Cas Corp - A	9	P 02/12/02	09/05/02	121	181	(60)
Travelers PPTY Cas Corp - A	13	P 03/20/02	09/05/02	181	295	(114)
Travelers PPTY Cas Corp - A	17	P 07/25/02	09/05/02	242	236	6
Travelers PPTY Cas Corp - B	97	P 01/02/02	09/05/02	1,355	2,434	(1,078)
Travelers PPTY Cas Corp - B	71	P 02/08/02	09/05/02	991	1,594	(603)
Travelers PPTY Cas Corp - B	18	P 02/12/02	09/05/02	248	401	(153)
Travelers PPTY Cas Corp - B	27	P 03/20/02	09/05/02	372	655	(283)
Travelers PPTY Cas Corp - B	36	P 07/25/02	09/05/02	496	523	(27)
Anglogold Ltd Ads	49	P 08/29/02	09/30/02	1,329	1,126	203
McDonald's Corp	1,700	P 01/02/02	10/04/02	29,574	44,821	(15,247)
McDonald's Corp	1,000	P 02/08/02	10/04/02	17,397	26,740	(9,343)
McDonald's Corp	800	P 02/22/02	10/04/02	13,917	21,503	(7,585)
Moody's Corp	200	P 03/20/02	10/07/02	9,000	8,175	826
Moody's Corp	200	P 04/17/02	10/07/02	9,000	8,199	801
Moody's Corp	200	P 03/20/02	10/07/02	9,000	8,175	826
Legg Mason Inc	125	P 08/29/02	10/08/02	4,989	5,922	(932)
Monsanto Co	277	P 08/29/02	10/08/02	4,099	4,956	(856)
NY Community Bancorp Inc	270	P 08/29/02	10/08/02	6,911	8,505	(1,594)
Sovereign Bancorp Inc	635	P 08/29/02	10/08/02	7,638	9,735	(2,097)
Sovereign Bancorp Inc	65	P 10/03/02	10/08/02	782	811	(29)
Talisman Energy Inc	10	P 08/29/02	10/11/02	341	407	(66)
Shaw Group Inc	190	P 08/29/02	10/14/02	2,186	3,076	(890)
Shaw Group Inc	225	P 10/03/02	10/14/02	2,589	3,171	(582)
Ahold (Kon) NV Ords	1,224	P 12/28/01	10/18/02	16,502	34,994	(18,492)
Ahold (Kon) NV Ords	350	P 02/07/02	10/18/02	4,719	8,607	(3,888)
Aptargroup Inc	20	P 08/29/02	10/18/02	520	631	(111)
Drebold Inc	41	P 08/29/02	10/18/02	1,406	1,481	(75)
TXU Corp	24	P 08/29/02	10/18/02	271	1,160	(889)
Aptargroup Inc	175	P 08/29/02	10/21/02	4,533	5,524	(991)
Choicepoint Inc	155	P 08/29/02	10/22/02	5,552	6,564	(1,012)
Talisman Energy Inc	68	P 08/29/02	10/31/02	2,475	2,769	(293)
Anglogold Ltd Ads	89	P 08/29/02	11/01/02	2,380	2,046	334
Coherent Inc	145	P 08/29/02	11/06/02	2,645	3,120	(476)
Coherent Inc	10	P 08/29/02	11/08/02	183	215	(33)
Coherent Inc	150	P 10/03/02	11/08/02	2,739	2,899	(160)
Allegheny Energy Inc	228	P 08/29/02	11/25/02	1,807	4,901	(3,094)
Cardinal Health Inc	200	P 05/15/02	11/25/02	12,273	13,670	(1,397)
Cardinal Health Inc	100	P 02/12/02	11/25/02	6,137	6,619	(482)
Genentech Inc	400	P 01/23/02	11/25/02	13,565	19,378	(5,814)
TXU Corp	61	P 08/29/02	12/02/02	932	2,949	(2,017)
TXU Corp	11	P 08/29/02	12/03/02	171	532	(361)

(a) List and describe the kinds of property sold		(b) How Acquired	(c) Date Acquired	(d) Date Sold	(e) Gross Sales Price	(g) Cost or Other Basis	(h) Gain or (Loss)
<u>Security</u>	<u>No.</u> <u>Shares</u>		<u>Date</u> <u>Purchased</u>	<u>Date</u> <u>Sold</u>	<u>Proceeds</u>	<u>Cost</u>	<u>Gain/(Loss)</u>
TXU Corp	140	P	10/03/02	12/03/02	2,174	5,195	(3,021)
American Express Co	800	P	01/02/02	12/09/02	29,481	28,410	1,071
Citigroup Inc	100	P	01/02/02	12/09/02	14,452	18,981	(4,528)
Medtronic Inc	200	P	01/23/02	12/09/02	9,262	9,892	(630)
Stencycle Inc	185	P	08/29/02	12/20/02	5,923	5,690	233
Stencycle Inc	30	P	08/29/02	12/23/02	960	923	37
Allete Inc	160	P	08/29/02	12/27/02	3,520	3,940	(419)
Allete Inc	175	P	10/03/02	12/27/02	3,850	3,802	48
Stencycle Inc	110	P	08/29/02	12/31/02	3,522	3,384	139
Stencycle Inc	43	P	10/03/02	12/31/02	1,377	1,485	(109)
MSIF Mid-Cap Value Portfolio	40,040	P	12/26/01	07/12/02	618,267	800,049	(181,782)
MSIF Mid-Cap Value Portfolio	26,539	P	02/05/02	07/12/02	409,766	500,000	(90,234)
Total Gain or Loss to Part IV, Line 1a, Col (h)					2,960,323	3,525,557	(565,234)

CHARIS FOUNDATION
 FEIN 62-1867423
 FORM 990-PF, PART II
 DECEMBER 31, 2002

STATEMENT 12

<u>Description</u>	<u>Book Value</u>	<u>FMV</u>
(Tim) Telecom Italia Mobile	24,869	21,214
Albany Molecular Res	6,561	5,177
Allianza Assicurazioni Spa	25,063	17,849
Alliance Gaming Corp	8,017	7,919
Amer Intl Group Inc	152,411	115,700
American Express Co	65,215	67,165
Anglogold Ltd Ads	9,242	12,334
Aptargroup Inc	10,717	12,027
Astoria Financial Corp	5,020	4,100
Astoria Financial Corp	14,078	13,439
Aventus Spons ADR	45,541	35,765
Bank of Ireland	25,329	20,673
Banknorth Grp Inc	9,077	8,430
Bay View Capital Corp	9,800	9,861
Beckman Coulter Inc	8,537	6,347
Berkshire Hathaway CL A Inc	147,300	145,500
Berkshire Hathaway Inc	24,650	24,230
Brandywine Realty Tr Sbl	10,444	10,229
Brookline Bancorp Inc	4,672	4,558
C R Bard Inc	7,923	8,584
Cabot Oil & Gas Corp	6,948	7,682
Caci International Inc	10,678	10,336
Cadbury Schweppes Ord	31,819	30,843
Cambrex Corp	11,154	10,422
Canon Inc	35,040	37,639
Cardinal Health Inc	82,746	76,947
Career Education Crp	5,793	5,000
Caremark RX Inc	20,623	21,206
Carnival Corp	59,639	52,395
Centurytel Inc	7,323	8,373
Chiron Cp	13,785	13,724
Choicepoint Inc	14,873	16,388
Church & Dwight Co Inc	9,616	10,042
Cinergy Corp	8,877	8,835
Citigroup Inc	108,318	93,254
Clear Channel Comm Inc	112,623	85,767
Coca Cola Co	101,446	96,448
Cognizant Tech Solutions	12,309	15,891
Colgate Palmolive Co	92,251	89,131
Computer Sciences	7,250	7,476
Concord EFS Inc	108,906	72,404
Credit Suisse Regd	49,379	26,016
Cree Research Inc	4,933	4,251
Diebold Inc	7,725	9,563
Doral Finl Corp	17,371	18,590
Estee Lauder Cos Inc	109,186	92,400
Expeditors Intl Wash Inc	16,470	19,590
Exxon Mobil Corp	124,303	111,808
Fannie Mae	111,262	90,062
Fanuc Co Ltd	21,473	22,103
Fedl Rlty Invt Trust S B I	10,641	11,220
Fidelity National Finl Inc	4,686	5,187

CHARIS FOUNDATION
 FEIN 62-1867423
 FORM 990-PF, PART II
 DECEMBER 31, 2002

STATEMENT 12

<u>Description</u>	<u>Book Value</u>	<u>FMV</u>
First American Corp	9,964	10,057
First Data Corp	56,829	77,902
Fortus Group	31,204	21,906
Freddie Mac	58,460	59,050
Genentech Inc	96,327	69,636
General Elec Co	144,795	92,530
Glaxo Smithkline Spon PLC ADR	37,919	28,844
Goldcorp Inc	4,799	5,037
Guidant Corp	9,985	10,150
HCC Insurance Hldgs Inc	14,213	14,514
Health Care Reit Inc	9,051	8,818
Hennes & Mauritz AB	24,619	24,007
Home Depot Inc	128,832	74,462
Home Properties of NY Inc	8,840	9,336
Hot Topic Inc	6,072	8,122
HSBC Holdings PLC USD	32,666	30,608
Idexx Labs	9,280	10,118
Ingles Markets	6,624	6,734
Integrated Circuit Sys Inc	7,874	9,308
Intel Corp	111,500	54,495
Ivax Corp	7,763	7,242
Johnson & Johnson	56,750	53,710
Koninklijke Phillips Electron	32,281	19,978
L-3 Communications Holding Inc	17,174	14,820
Legg Mason Inc	10,173	11,407
Longs Drug Stores Corp	7,721	8,151
Loreal	37,958	41,325
LVMH Moet Hen Louis Vuitton	31,960	32,896
MBNA Corp	79,516	68,472
Medtronic Inc	105,271	100,320
Merck & Co Inc	110,531	107,559
MFA Mortgage Investments Inc	9,170	8,879
Microsoft Corp	137,289	113,740
Moody's Corp	73,574	74,322
Nationwide Hlth Properties	4,498	3,882
NDC Health Corp	6,264	6,866
Nestle Sa Regd	30,808	29,836
Netbank Inc	7,919	7,357
Newmont Mining Corp	9,883	10,683
News Corp Ltd ADR New	31,288	26,906
Nokia Corp	37,817	23,948
Novartis Ag New	31,728	31,675
NY Community Bancorp Inc	15,375	15,595
Occidental Petroleum Corp	10,068	9,872
O'Charleys Inc	6,881	7,186
Omnicare Inc	11,907	12,868
Omnicom Group Inc	94,753	71,060
O'Reilly Automotive Inc	11,011	9,610
P & O Princess Cruis	25,510	21,565
Paychex Inc	92,814	72,540
Pearson PLC	37,694	31,326
Performance Food Group Co	13,009	12,735
Perot Systems	7,448	7,665
Pfizer Inc	159,568	122,280

CHARIS FOUNDATION
 FEIN 62-1867423
 FORM 990-PF, PART II
 DECEMBER 31, 2002

STATEMENT 12

<u>Description</u>	<u>Book Value</u>	<u>FMV</u>
Pioneer Natural Resources Co	8,469	8,459
Placer Dome Inc	10,246	12,328
Pogo Producing Co	10,750	11,846
Principal Finl Group Inc	8,746	9,611
Province Healthcare Co	7,712	4,524
Reckitt Benckiser PLC	38,604	50,318
Redwood Trust Inc	9,472	9,113
Reynolds & Reynolds	14,994	16,301
Sandisk	4,962	4,568
Sanofi Synthelabo	37,217	30,919
Scansource Inc	4,868	3,698
Sempra Energy	9,214	10,075
Shin-Etsu Chemical Co Ltd	35,580	32,755
Siemens Ag NPV Regd Shs	24,779	16,242
Smith & Nephew ORD	20,779	21,900
Smucker JM Co	9,831	10,749
Sony Corp	25,527	23,753
Sovereign Bancorp Inc	9,180	9,470
Sovereign Bancorp Inc	7,794	8,781
Spartech New	7,216	7,014
State Street Corp	82,894	74,100
Stericycle Inc	10,778	10,102
Stmicroelectronics NV	45,206	27,997
Suez	44,717	26,234
Swift Transp Co Inc	4,213	5,105
Swiss Re Regd Ords (New)	49,611	33,260
Talisman Energy Inc	5,357	4,774
Taro Pharmaceutical Ind Ltd	11,404	13,348
Teco Energy	6,801	5,554
Teleflex Inc	11,980	10,937
Telefonica SA Spons ADR	30,498	21,734
Telephone & Data Systems Inc	5,757	4,843
Temple Inland	8,719	8,872
Tesco PLC Ord	24,774	24,681
Unicredito Italiano	38,097	38,664
Unisource Energy Cp	6,973	7,366
United Natural Foods Inc	9,575	11,281
United Parcel Service	78,698	88,312
United Sts Stl Cp	6,646	6,586
Varian Inc	11,407	10,902
Veridian Corp	7,949	7,362
VNU NV	44,399	39,727
Vodafone Group PLC	36,598	27,006
Waste Connections	9,696	10,039
Wells Fargo Co	106,101	112,488
Line 10b Investments - Corporate Stock	5,131,921	4,489,700
FHLB 1/23/09	500,000	514,417
FHLB 3 85% 7/11/05	500,000	514,405
FHLB 3/25/09	500,000	512,690
FHLMC 4% 9/13/07	499,688	521,155
FHLMC 4 5% 7/23/07	499,180	530,190
Line 10c Investments - Corporate Bonds	2,498,868	2,592,857

STATEMENT 12

Name and Address	Relationship to Foundation Manager or Substantial Contributor	Status of Recipient	Purpose of grant or contribution	Amount
Desire Street Ministries P O Box 26966 New Orleans, LA 70186-6966	N/A	Public Charity - an organization described in section 501(c)(3)	Desire Street community outreach	3 000
Venture 29/7 601 West Summit Hill Drive Knoxville, TN 37902	N/A	Public Charity - an organization described in section 501(c)(3)	Mobilize Not For Profit Organizations to reach Knoxville with the gospel	10 000
Tribe One 1507 University Avenue Knoxville, TN 37921	N/A	Public Charity - an organization described in section 501(c)(3)	Prepare people as neighbors for God's neighborhood	5,500
SOAR Youth Ministries P O Box 31611 Knoxville, TN 37950	N/A	Public Charity - an organization described in section 501(c)(3)	Knoxville area christian youth ministry	2,500
World Evangelical Alliance 617 Dayton Street Edmonds, WA 98020	N/A	Public Charity - an organization described in section 501(c)(3)	To disciple every nation of the world for Christ.	5 000
Emerald Youth Foundation 1718 North Central Street Knoxville, TN 37917 5501	N/A	Public Charity - an organization described in section 501(c)(3)	To advance the kingdom of God by serving youth & children.	30,000
Knoxville Leadership Foundation 901 East Summit Hill Drive Knoxville TN 37915	N/A	Public Charity - an organization described in section 501(c)(3)	To connect resources and needs in Knoxville	10 000
Pace Settlers 3800 Merton Luther King Blvd. Knoxville, TN 37914	N/A	Public Charity - an organization described in section 501(c)(3)	To provide programs for kids between the ages of six & twelve	5 000
Yoke Youth Ministries P O Box 3492 Knoxville, TN 37927 3492	N/A	Public Charity - an organization described in section 501(c)(3)	To provide Christian influence to interested youth.	10 000
Real Christian Foundation P O Box 180059 Richland MS 39218	N/A	Public Charity - an organization described in section 501(c)(3)	To support Christian ministries in rural Mississippi.	1 000
Mendenhall Ministries 309 Center Street P O Box 368 Mendenhall, MS 39114	N/A	Public Charity - an organization described in section 501(c)(3)	Christian community development in rural Mississippi	1 000
Lukemia & Lymphoma Society 446 Metroplex Drive Nashville, TN 37211	N/A	Public Charity - an organization described in section 501(c)(3)	Cancer research, education & patient services.	100
Foundations of the Heart 1910 Viadictor Drive, Suite 105 Colorado Springs, CO 80919	N/A	Public Charity - an organization described in section 501(c)(3)	To reach the world in the name of Jesus Christ.	5 000
Life Ministries P O Box 200 San Dimas CA 91773	N/A	Public Charity - an organization described in section 501(c)(3)	To spread the gospel of Jesus Christ in Asia.	2,000
Jonis and Friends P O Box 2222 Akron, OH 44309-2222	N/A	Public Charity - an organization described in section 501(c)(3)	To promote the advancement of Christian ministry within the disability community	5 000
Wesley House Community Center Dameron Avenue Knoxville TN 37921	N/A	Public Charity - an organization described in section 501(c)(3)	To provide spiritual leadership & education.	12,500
World Vision P O Box 78481 Tacoma WA 98481-8481	N/A	Public Charity - an organization described in section 501(c)(3)	To help children & families in need	30 000
Prison Fellowship P O Box 1550 Martinsburg, VA 22116-1550	N/A	Public Charity - an organization described in section 501(c)(3)	To assist the church in ministry to those affected by crime.	5 000
Listed Way Of Greater Knoxville PO Box 326 Knoxville, TN 37901	N/A	Public Charity - an organization described in section 501(c)(3)	To bring volunteers and companies together in order to improve people's lives	65 000
Webb School of Knoxville 9800 Webb School Drive Knoxville, TN 37923	N/A	Public Charity - an organization described in section 501(c)(3)	Maintenance of educational instruction properties	10 000
Cedar Springs Presbyterian Church 9132 Kingston Pike Knoxville, TN 37923	N/A	Public Charity - an organization described in section 501(c)(3)	To provide for the ministries of the church.	70 000

Name and Address	Relationship to Foundation Manager or Substantial Contributor	Status of Recipient	Purpose of grant or contribution	Amount
West End Academy 6900 Office Park Circle Knoxville, TN 37909-1161	N/A	Public Charity an organization described in section 501(c)(3)	To recruit and help make successful the lives of children	5 000
St. Mary's Episcopal School 60 Perkins Memphis, TN 378117	N/A	Public Charity an organization described in section 501(c)(3)	To provide college preparatory education for girls	1 000
Restoration Outreach 2176 Ogden Road Rock Hill, SC 29730	N/A	Public Charity an organization described in section 501(c)(3)	To provide treatment programs for life problems	5 000
Hope Resource Center 2700 Paunier Avenue Knoxville, TN 37919	N/A	Public Charity an organization described in section 501(c)(3)	To provide free care and education to expectant mothers	5 000
YoungLife of Knoxville P O Box 647 Knoxville, TN 37901	N/A	Public Charity an organization described in section 501(c)(3)	Youth christian education	125 000
Total Contributions				428 600

**STATEMENT OF SHAREHOLDERS RECEIVING A DISTRIBUTION OF STOCK IN
TRAVELERS PROPERTY CASUALTY CORP ("TPC"), A CONTROLLED CORPORATION,
PURSUANT TO TREASURY REGULATIONS SECTION 1.355-5(b)**

By private letter ruling, the Internal Revenue Service ruled that the distribution by Citigroup Inc ("Citigroup") of shares of TPC class A and class B common stock was a nontaxable corporate separation under Section 355 of the Internal Revenue Code

INSTRUCTIONS Read, complete parts 1, 2 and 4, sign and attach to your 2002 U.S. federal income tax return. This form should not be sent to Citigroup or TPC.

Part 1: Statement of ownership	
<input checked="" type="checkbox"/> The undersigned was a shareholder owning shares of common stock of Citigroup of the class traded on the New York Stock Exchange under the symbol "C", that received a distribution of stock in TPC, a controlled corporation, pursuant to Section 355	
Part 2: Shares of common stock received	
The undersigned received a total of <u>120,972</u> shares of TPC class A common stock and <u>248,544</u> shares of TPC class B common stock in the distribution	
Part 3: The names and addresses of the corporations involved	
Distributing Corporation: Citigroup Inc 399 Park Avenue New York, New York 10043	Controlled Corporation: Travelers Property Casualty Corp One Tower Square Hartford, CT 06183
Part 4: Shareholder Signature and Taxpayer ID	
<u>William E. Haslam</u>	
Name	<u>WES/HC</u>
Signature	<u>62-1867423</u>
Taxpayer ID or Social Security Number	

If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II and check this box

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1)

Part II Additional (not automatic) 3-Month Extension of Time - Must file Original and One Copy.		
Type or print.	Name of Exempt Organization CHARIS FOUNDATION, INC. C/O STEINER & ELLIS, PLLC	Employer identification number 62-1867423
File by the extended due date for filing the return. See instructions	Number, street, and room or suite no. If a P O box, see instructions 5516 LONAS DRIVE, NO. 260	For IRS use only
	City, town or post office, state, and ZIP code For a foreign address, see instructions KNOXVILLE, TN 37909	

Check type of return to be filed (File a separate application for each return)

- Form 990
- Form 990-EZ
- Form 990-T (sec 401(a) or 408(a) trust)
- Form 1041 A
- Form 5227
- Form 8870
- Form 990-BL
- Form 990-PF
- Form 990-T (trust other than above)
- Form 4720
- Form 6069

STOP Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for

4 I request an additional 3 month extension of time until NOVEMBER 17, 2003

5 For calendar year 2002, or other tax year beginning _____ and ending _____

6 If this tax year is for less than 12 months, check reason Initial return Final return Change in accounting period

7 State in detail why you need the extension
ADDITIONAL TIME NEEDED TO GATHER AND COMPILE THE NECESSARY INFORMATION TO PREPARE A COMPLETE AND ACCURATE TAX RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions \$ 768.

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ 3,000.

c Balance Due. Subtract line 8b from line 8a Include your payment with this form, or if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions \$ 0.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature [Signature] Title CPA Date 8-14-03

Notice to Applicant - To Be Completed by the IRS

- We have approved this application Please attach this form to the organization's return
- We have not approved this application However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions) This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return Please attach this form to the organization's return
- We have not approved this application After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file We are not granting the 10-day grace period
- We cannot consider this application because it was filed after the due date of the return for which an extension was requested
- Other _____

EXTENSION APPROVED
 8-20-03
 LINDA WILCOX, CPFF DIRECTOR OF FINANCIAL SERVICES

Director _____ By _____ Date _____

Alternate Mailing Address - Enter the address if you want the copy of this application for an additional 3 month extension returned to an address different than the one entered above

Type or print	Name STEINER & ELLIS, PLLC
	Number and street (include suite, room, or apt no) Or a P O box number 5516 LONAS DRIVE, SUITE 260
	City or town province or state, and country (including postal or ZIP code) KNOXVILLE, TN 37909