Amended

COPY

Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No. 1545-0052

2003

NO STATUTE ISSUE

MAR 13 '14

SCANNED MAR 20 2014

For calendar year 2003, or tax year beginning , 2003, and ending , 20

G 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: William C Ethridge Foundation, Inc.		A Employer identification number: 58 2000825	
Number and street (or P.O. box number if mail is not delivered to street address): P O Box 3470	Room/suite	B Telephone number (see page 10 of the instructions): (910) 328-1532	
City or town, state, and ZIP code: Topsail Beach, North Carolina 28445-9831		C If exemption application is pending, check here ▶ ☐	
		D 1. Foreign organizations, check here ▶ ☐	

H Check type of organization: ☑ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

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 ▶ ☐

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶ $ $8,370,351

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

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

Part I **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 10 of the instructions).)*

		(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 (attach schedule)	6,535,455			
	Check ▶ ☐ if the foundation is not required to attach Sch. B				
	2 Distributions from split-interest trusts				
	3 Interest on savings and temporary cash investments	1,492	1,492	1,492	
	4 Dividends and interest from securities	43,651	43,651	43,651	
	5a Gross rents				
	b (Net rental income or (loss))				
	6a Net gain or (loss) from sale of assets not on line 10	0			
	b Gross sales price for all assets on line 6a 0				
	7 Capital gain net income (from Part IV, line 2)		0		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less: Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)				
	12 **Total.** Add lines 1 through 11	6,580,598	45,143	45,153	
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)				
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see page 13 of the instructions)				
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	823	823	823	
	24 **Total operating and administrative expenses.** Add lines 13 through 23				
	25 Contributions, gifts, grants paid	112,000			112,000
	26 **Total expenses and disbursements.** Add lines 24 and 25	114,849	823	823	112,000
	27 Subtract line 26 from line 12:				
	a **Excess of revenue over expenses and disbursements**	6,465,749			
	b **Net investment income** (if negative, enter -0-)		44,320		
	c **Adjusted net income** (if negative, enter -0-)			44,320	

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)

	Line	Description	Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1	Cash—non-interest-bearing	20,676	71,626	71,626
	2	Savings and temporary cash investments			
	3	Accounts receivable ▶			
		Less: allowance for doubtful accounts ▶			
	4	Pledges receivable ▶			
		Less: allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7	Other notes and loans receivable (attach schedule) ▶			
		Less: allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U.S. and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)	1,021,728	7,132,931	7,994,901
	c	Investments—corporate bonds (attach schedule)		303,743	303,824
	11	Investments—land, buildings, and equipment: basis ▶			
		Less: accumulated depreciation (attach schedule) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)			
	14	Land, buildings, and equipment: basis ▶			
		Less: accumulated depreciation (attach schedule) ▶			
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by all filers—see page 16 of the instructions. Also, see page 1, item I)	1,042,404	7,508,300	8,370,351
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 (attach schedule)			
	22	Other liabilities (describe ▶)			
	23	**Total liabilities** (add lines 17 through 22)			
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Organizations that do not follow SFAS 117, check here ▶ ☑ and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	1,042,404	7,508,300	
	30	**Total net assets or fund balances** (see page 17 of the instructions)	1,042,404	7,508,300	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	1,042,404	7,508,300	

Part III Analysis of Changes in Net Assets or Fund Balances

	Description	Line	Amount
1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	1,042,404
2	Enter amount from Part I, line 27a	2	6,465,749
3	Other increases not included in line 2 (itemize) ▶ Transfer Adjustment	3	147
4	Add lines 1, 2, and 3	4	7,508,300
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	7,508,300

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				
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				
b				
c				
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col.(h))
a				
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**

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8 . . . . . . **3** NONE

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income N/A

(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 page 17 of 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))
2002			
2001			
2000			
1999			
1998			

2 Total of line 1, column (d)	2	
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	
4 Enter the net value of noncharitable-use assets for 2003 from Part X, line 5	4	
5 Multiply line 4 by line 3	5	
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	
7 Add lines 5 and 6	7	
8 Enter qualifying distributions from Part XII, line 4	8	

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 on page 17.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 17 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ 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 ▶ ☐ and enter 1% of Part I, line 27b	1	886
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	
3	Add lines 1 and 2	3	886
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-	5	886
6	Credits/Payments:		
a	2003 estimated tax payments and 2002 overpayment credited to 2003 — 6a 1,015		
b	Exempt foreign organizations—tax withheld at source — 6b		
c	Tax paid with application for extension of time to file (Form 8868) — 6c		
d	Backup withholding erroneously withheld — 6d		
7	Total credits and payments. Add lines 6a through 6d	7	1,015
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	129
11	Enter the amount of line 10 to be: **Credited to 2004 estimated tax** ▶ 129 **Refunded** ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
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?	1a		✔
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 18 of the instructions for definition)?	1b		✔
	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.			
c	Did the organization file **Form 1120-POL** for this year?	1c		✔
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the organization. ▶ $ ______ (2) On organization managers. ▶ $ ______			
e	Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on organization managers. ▶ $ ______			
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.*	2		✔
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*	3		✔
4a	Did the organization have unrelated business gross income of $1,000 or more during the year?	4a		✔
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b	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.*	5		✔
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	✔	
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.*	7	✔	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶			
b	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*	8b	✔	
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 2003 or the taxable year beginning in 2003 (see instructions for Part XIV on page 25)? *If "Yes," complete Part XIV*	9		✔
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses.*	10		✔
11	Did the organization comply with the public inspection requirements for its annual returns and exemption application?	11	✔	

Web site address ▶ None

12 The books are in care of ▶ Jim A. King, CPA Telephone no. ▶ (910) 328-1532

Located at ▶ 814 Carolina Blvd, Topsail Beach, NC ZIP+4 ▶ 28445-9831

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

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? ☐ Yes ☑ No			
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☑ No			
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☑ No			
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☑ No			
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☑ No			
(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the 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.) ☐ Yes ☑ No			
b If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 19 of the instructions)?	1b	N/A	
Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
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 2003?	1c		✔
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 2003, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2003? ☐ Yes ☑ No			
If "Yes," list the years ▶ 20____ , 20____ , 20____ , 19____			
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 page 19 of the instructions.)	2b	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. ▶ 20____ , 20____ , 20____ , 19____			
3a Did the organization hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☑ No			
b If "Yes," did it have excess business holdings in 2003 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 2003.)*	3b	N/A	
4a Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		✔
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 2003?	4b		✔
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))? ☐ 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 509(a)(1), (2), or (3), or section 4940(d)(2)? ☐ 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 page 20 of the instructions)?	5b	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 organization claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No *If "Yes," attach the statement required by Regulations section 53.4945–5(d).*			
6a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☑ 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.*	6b		✔

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see page 20 of the instructions):

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See Schedule 2		0		

2 Compensation of five highest-paid employees (other than those included on line 1—see page 20 of the instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than $50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
		None		

Total number of other employees paid over $50,000 . . . ▶

3 Five highest-paid independent contractors for professional services—(see page 20 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
		None

Total number of others receiving over $50,000 for professional services . . . ▶

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 specific activity other than direct contributions to qualifying organizations	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 21 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1	
2	
All other program-related investments. See page 21 of the instructions.	
3	
Total. Add lines 1 through 3 ▶	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 21 of the 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	2,286,783
b	Average of monthly cash balances		1b	49,452
c	Fair market value of all other assets (see page 22 of the instructions)		1c	
d	**Total** (add lines 1a, b, and c)		1d	2,336,235
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e		
2	Acquisition indebtedness applicable to line 1 assets		2	
3	Subtract line 2 from line 1d		3	2,336,235
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see page 23 of the instructions)		4	35,044
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	2,301,191
6	**Minimum investment return.** Enter 5% of line 5		6	115,060

Part XI Distributable Amount (see page 23 of the 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	115,060
2a	Tax on investment income for 2003 from Part VI, line 5	2a	886		
b	Income tax for 2003. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	886
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	114,174
4a	Recoveries of amounts treated as qualifying distributions	4a			
b	Income distributions from section 4947(a)(2) trusts	4b			
c	Add lines 4a and 4b			4c	0
5	Add lines 3 and 4c			5	114,174
6	Deduction from distributable amount (see page 23 of the instructions)			6	
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	114,174

Part XII Qualifying Distributions (see page 23 of the 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	112,000
b	Program-related investments—Total from Part IX-B	1b	
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	112,000
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 (see page 24 of the instructions)	5	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	112,000

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 page 24 of the instructions)

	(a) Corpus	(b) Years prior to 2002	(c) 2002	(d) 2003
1 Distributable amount for 2003 from Part XI, line 7				114,174
2 Undistributed income, if any, as of the end of 2002:				
a Enter amount for 2002 only			1,145	
b Total for prior years: 20___,20___,19___		0		
3 Excess distributions carryover, if any, to 2003:				
a From 1998				
b From 1999				
c From 2000				
d From 2001				
e From 2002				
f **Total** of lines 3a through e	0			
4 Qualifying distributions for 2003 from Part XII, line 4: ▶ $				
a Applied to 2002, but not more than line 2a			1,145	
b Applied to undistributed income of prior years (Election required—see page 24 of the instructions)		0		
c Treated as distributions out of corpus (Election required—see page 24 of the instructions)	0			
d Applied to 2003 distributable amount				110,855
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2003 *(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 page 24 of the instructions		0		
e Undistributed income for 2002. Subtract line 4a from line 2a. Taxable amount—see page 24 of the instructions			0	
f Undistributed income for 2003. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2004				3,319
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) (see page 25 of the instructions)	0			
8 Excess distributions carryover from 1998 not applied on line 5 or line 7 (see page 25 of the instructions)	0			
9 **Excess distributions carryover to 2004.** Subtract lines 7 and 8 from line 6a	0			
10 Analysis of line 9:				
a Excess from 1999				
b Excess from 2000				
c Excess from 2001				
d Excess from 2002				
e Excess from 2003				

Part XIV Private Operating Foundations (see page 25 of the instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2003, enter the date of the ruling . . . . ▶ N/A

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) 2003	(b) 2002	(c) 2001	(d) 2000	
2a 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 ⅔ 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).)

William C Ethridge (deceased 5/10/03) made contributions in 1992 and from his estate in 2003 (see schedule 1)

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 page 25 of the 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:

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
See Schedule 3				**112,000**
Total . . . . ▶ **3a**				**112,000**
b *Approved for future payment*				
Total . . . . ▶ **3b**				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income (See page 26 of the instructions.)
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					1,492
4 Dividends and interest from securities					43,651
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue: a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)					45,143

13 Total. Add line 12, columns (b), (d), and (e) 13 45,143

(See worksheet in line 13 instructions on page 26 to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes). (See page 26 of the instructions.)
3 & 4	All income is derived from the Foundation's Investements - Income is used to fund qualifying contributions.

Part XVII **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations**

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

		Yes	No
a Transfers from the reporting organization to a noncharitable exempt organization of:			
(1) Cash	1a(1)		✔
(2) Other assets	1a(2)		✔
b Other transactions:			
(1) Sales of assets to a noncharitable exempt organization	1b(1)		✔
(2) Purchases of assets from a noncharitable exempt organization	1b(2)		✔
(3) Rental of facilities, equipment, or other assets	1b(3)		✔
(4) Reimbursement arrangements	1b(4)		✔
(5) Loans or loan guarantees	1b(5)		✔
(6) Performance of services or membership or fundraising solicitations	1b(6)		✔
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		✔

d If the answer to any of the above is "Yes," complete the following schedule. Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received.

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

2a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☐ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Signature of officer or trustee | Date | **Secretary / Treasurer** Title

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed ▶ ☐	Preparer's SSN or PTIN (See **Signature** on page 28 of the instructions.)
Firm's name (or yours if self-employed), address, and ZIP code		EIN ▶	Phone no. ( )

W C Ethridge Foundation, Inc.

Schedule 1

Contribution of Securities from WCE Estate

			11/17/03 Value
100,000	in Bonds	NM General Motors Accept 3.25%	$100,000
100,000	in Bonds	NM Household Finance 5.20%	$103,743
100,000	in Bonds	NM General Motors Accept 3.85%	$100,000
7,150	Shares	Wachovia Corp Pfd	$28
8,000	Shares	Abbott Labs	$351,520
8,000	Shares	Altria Group, Inc	$400,160
2,100	Shares	Allied Capital	$53,340
1,000	Shares	Avery Dannison Corp	$52,450
4,000	Shares	Bristol Myers Squibb	$106,000
3,000	Shares	Cinergy Corp	$109,260
1,000	Shares	Chevron Texaco	$73,770
1,000	Shares	Conoco Phillips	$56,950
5,000	Shares	Cisco Systems	$109,900
1,000	Shares	Colgate Palmolive	$51,580
1,000	Shares	Conagra Foods	$24,140
5,280	Shares	Exxon Mobil	$187,809
1,000	Shares	FPL Group	$64,680
1,000	Shares	Fleet Boston Financial	$39,900
50,000	Shares	General Electric	$1,405,500
1,000	Shares	General Mills	$45,110
3,000	Shares	KeyCorp New	$82,890
1,000	Shares	Kellogg	$35,340
1,000	Shares	Kimberly Clark	$53,390
9,200	Shares	Lilly Eli Co	$648,508
2,000	Shares	Mills Corporation (REIT)	$87,660
1,302	Shares	Medco Health Solutions	$45,596
1,000	Shares	McGraw Hill	$67,290
10,800	Shares	Merck & Co	$499,500
1,000	Shares	PPL Corporation	$40,660
1,000	Shares	Progress Energy	$42,930
3,000	Shares	Pepco Holdings	$54,360
1,000	Shares	Proctor & Gamble	$95,800
2,000	Shares	Reckson Assoc (REIT)	$46,740
5,000	Shares	Royal Dutch Petroleum	$223,000
2,000	Shares	SBC Communications	$47,040
1,000	Shares	Scana Corp New	$33,650
1,000	Shares	Stanley Works	$32,990
4,384	Shares	Total S.A.	$345,240
2,000	Shares	Verizon Communications	$65,800
2,000	Shares	Wells Fargo & Co	$112,580
7,150	Shares	Wachovia Corp New	$318,175
			$6,414,979
	Cash Transferred		**$120,476**
		Total Amount Transferred	**$6,535,455**

W C Ethridge Foundation, Inc.
Form 990-PF Supporting Schedule - 2003

Schedule 2

Capital Gains and Losses	Purchased (P) Donated (D)	Date Purchased	Date Sold	Sale Price	Cost or Other Basis	Gain(loss)
	NONE					
				$0	$0	$0

Information About Officers, Trustees, Etc. Name and Address		Title	Compensation	Employee Plan Contributions	Expenses
S Montgomery White	Raleigh, NC	President and Chairman	$0	$0	$0
Jim A. King	Topsail Beach, NC	Secretary and Treasurer	$0	$0	$0
James Frank Scott	Raleigh, NC	Trustee	$0	$0	$0
R Peyton Woodson	Raleigh, NC	Vice Chairman	$0	$0	$0
R Dan Edwards	Wendell, NC	Trustee	$0	$0	$0
			$0	$0	$0

WILLIAM C. ETHRIDGE FOUNDATION, INC. **Schedule 3**

Contributions Approved by Board of Trustees

	2003
Boys Club of Wake County	$10,000
Food Bank of North Carolina	$10,000
Raleigh YMCA	$10,000
Shepherds Table	$10,000
Triangle Area United Way	$10,000
Fishes and Loaves	$6,000
American Belarus Relief Organization	$5,000
Christ Episcopal Church	$5,000
Greenville Community Center	$5,000
Hospice of Wake County	$5,000
North Carolina Symphony	$5,000
Raleigh Rescue Mission	$5,000
Ronald McDonald House (Durham)	$5,000
Salvation Army	$5,000
American Red Cross	$2,000
Helping Hands Mission	$2,000
Interact	$2,000
Lucy Daniels Preschool	$2,000
Raleigh City Museum	$2,000
Triangle Land Conservancy	$2,000
Young Life	$2,000
BreakThrough	$1,000
Helping Horse	$1,000
Total 2003 Contributions	$112,000

Corporate Bonds

100,000	NM GENERAL MTRS ACCPT BE 17JUN03 15JUN05 QTLY-PAY 03.250% FIXRATE MOODY'S: A3 S&P: BBB	06/11/03	100.00	100,000	100.24	100,242
100,000	ΔNM HOUSEHOLD FIN CORP BE 19SEP02 15SEP05 SEMI-PAY 05.200% FIXRATE	05/12/03	103.55	103,551	103.98	103,986

Corporate Bonds

	MOODY'S: A1 S&P: A ORIGINAL UNIT COST: 104.90					
100,000	NM GENERAL MTRS ACCPT BE 17JUN03 15JUN06 MTLY-PAY 03.850% FIXRATE MOODY'S: A3 S&P: BBB	06/12/03	100.00	100,000	99.56	99,561
7,150	WACHOVIA CORP 2ND NEW CO PFD STK	11/17/03	.00	28	.00	35
Total Corporate Bonds				303,580		303,824

Current Portfolio

Quantity		Security Description	Symbol	Sector	Date Acquired	Adjust/Unit Cost Basis	Total Cost Basis	Estimated Market Price	Estimated Market Value
Equities									
1,000	**	ABBOTT LABS	ABT	(A)	09/03/92	15.63	15,635	46.60	46,600
1,000	**	ABBOTT LABS			12/18/92	16.45	16,454	46.60	46,600
8,000	**	ABBOTT LABS			11/17/03	43.94	351,520	46.60	372,800
10,000		Security Sub-Total					383,610		466,000
8,000	**	ALTRIA GROUP INC	MO	(B)	11/17/03	50.02	400,160	54.42	435,360
2,100	**	ALLIED CAPITAL CORP NEW	ALD	(G)	11/17/03	25.40	53,340	27.88	58,548
1,000	**	AVERY DENNISON CORP	AVY	(E)	11/17/03	52.45	52,450	56.02	56,020
1,600	**	BELLSOUTH CORP	BLS	(H)	09/03/92	13.52	21,637	28.30	45,280
2,000	**	BRISTOL-MYERS SQUIBB CO	BMY	(A)	08/15/00	51.33	102,664	28.60	57,200
2,000	**	BRISTOL-MYERS SQUIBB CO			11/12/02	26.85	53,713	28.60	57,200
4,000	**	BRISTOL-MYERS SQUIBB CO			11/17/03	26.50	106,000	28.60	114,400
8,000		Security Sub-Total					262,378		228,800
3,000	**	CINERGY CORP COM	CIN	(I)	11/17/03	36.42	109,260	38.81	116,430
1,000	**	CHEVRONTEXACO CORP	CVX	(J)	11/17/03	73.77	73,770	86.39	86,390
1,000	**	CONOCOPHILLIPS	COP	(J)	11/17/03	56.95	56,950	65.57	65,570
5,000	†	CISCO SYSTEMS INC COM	CSCO	(C)	11/17/03	21.98	109,900	24.23	121,150
1,000	**	COCA COLA COM	KO	(B)	09/30/99	49.19	49,198	50.75	50,750
800	**	COCA COLA COM			04/03/01	46.07	36,863	50.75	40,600
200	**	COCA COLA COM			04/03/01	46.06	9,212	50.75	10,150
2,000		Security Sub-Total					95,274		101,500
1,000	**	COLGATE PALMOLIVE	CL	(B)	11/17/03	51.58	51,580	50.05	50,050
1,000	**	CONAGRA FOODS INC	CAG	(B)	11/17/03	24.14	24,140	26.39	26,390
500	**	CORNING INC	GLW	(C)	11/27/00	70.36	35,181	10.43	5,215
1,000	**	CORNING INC			04/03/01	19.46	19,469	10.43	10,430
1,500	**	CORNING INC			12/05/01	10.13	15,199	10.43	15,645
3,000	**	CORNING INC			11/12/02	2.69	8,085	10.43	31,290
6,000		Security Sub-Total					77,935		62,580
1,000	**	DU PONT E I DE NEMOURS	DD	(F)	04/03/01	40.65	40,656	45.89	45,890
1,056	**	EXXON MOBIL CORP COM	XOM	(J)	09/03/92	12.39	13,091	41.00	43,296
1,584	**	EXXON MOBIL CORP COM			12/18/92	12.13	19,222	41.00	64,944
5,280	**	EXXON MOBIL CORP COM			11/17/03	35.57	187,809	41.00	216,480
7,920		Security Sub-Total					220,123		324,720
1,000	**	FPL GROUP INC	FPL	(I)	11/17/03	64.68	64,680	65.42	65,420
1,000		FLEETBOSTON FINL CORP	FBF	(G)	11/17/03	39.90	39,900	43.65	43,650
5,000	**	GENERAL ELECTRIC	GE	(E)	12/18/92	7.21	36,069	30.98	154,900
50,000	**	GENERAL ELECTRIC			11/17/03	28.11	1,405,500	30.98	1,549,000
55,000		Security Sub-Total					1,441,569		1,703,900

Current Portfolio

Quantity		Security Description	Symbol	Sector	Date Acquired	Adjust/Unit Cost Basis	Total Cost Basis	Estimated Market Price	Estimated Market Value
Equities									
1,000	**	GENERAL MILLS	GIS	(B)	11/17/03	45.11	45,110	45.30	45,300
1,200	**	GILLETTE CO COM	G	(B)	06/04/96	29.92	35,905	36.73	44,076
1,000	**	HEWLETT PACKARD CO DEL	HPQ	(C)	11/27/00	37.08	37,084	22.97	22,970
1,000	**	HEWLETT PACKARD CO DEL			05/03/02	17.36	17,368	22.97	22,970
2,000		Security Sub-Total					54,453		45,940
500		HOME DEPOT INC	HD	(D)	11/27/00	39.77	19,887	35.49	17,745
1,500		J P MORGAN CHASE AND CO	JPM	(G)	02/21/96	22.88	34,321	36.73	55,095
2,500	**	KEYCORP NEW COM	KEY	(G)	05/03/02	29.31	73,276	29.32	73,300
3,000	**	KEYCORP NEW COM			11/17/03	27.63	82,890	29.32	87,960
5,500		Security Sub-Total					156,166		161,260
1,000	**	KELLOGG CO PV 25CT	K	(B)	11/17/03	35.34	35,340	38.08	38,080
200	**	KIMBERLY CLARK	KMB	(B)	12/18/92	30.21	6,043	59.09	11,818
800	**	KIMBERLY CLARK			07/07/93	23.76	19,014	59.09	47,272
1,000	**	KIMBERLY CLARK			11/17/03	53.39	53,390	59.09	59,090
2,000		Security Sub-Total					78,447		118,180
9,200	**	LILLY ELI CO	LLY	(A)	11/17/03	70.49	648,508	70.33	647,036
2,000	**	MILLS CORPORATION COM REIT	MLS	(G)	11/17/03	43.83	87,660	44.00	88,000
72	**	MEDCO HEALTH SOLUTIONS I	MHS	(A)	09/03/92	11.03	794	33.99	2,447
120	**	MEDCO HEALTH SOLUTIONS I			12/18/92	10.65	1,278	33.99	4,078
1,302	**	MEDCO HEALTH SOLUTIONS I			11/17/03	35.02	45,596	33.99	44,254
1,494		Security Sub-Total					47,668		50,781
1,000	**	MC GRAW HILL COMPANIES	MHP	(D)	11/17/03	67.29	67,290	69.92	69,920
600	**	MERCK&CO INC	MRK	(A)	09/03/92	23.28	13,971	46.20	27,720
1,000	**	MERCK&CO INC			12/18/92	22.47	22,477	46.20	46,200
10,800	**	MERCK&CO INC			11/17/03	46.25	499,500	46.20	498,960
12,400		Security Sub-Total					535,949		572,880
1,000	**	PPL CORPORATION	PPL	(I)	11/17/03	40.66	40,660	43.75	43,750
1,000	**	PROGRESS ENERGY INC	PGN	(I)	11/17/03	42.93	42,930	45.26	45,260
3,000	**	PEPCO HLDGS INC	POM	(I)	11/17/03	18.12	54,360	19.54	58,620
1,250	**	PFIZER INC DEL PV$0.05	PFE	(A)	10/07/98	29.93	37,424	35.33	44,162
2,750	**	PFIZER INC DEL PV$0.05			09/30/99	23.89	65,707	35.33	97,157
4,000		Security Sub-Total					103,132		141,320
300	**	PROCTER GAMBLE	PG	(B)	11/27/00	73.41	22,024	99.88	29,964
1,000	**	PROCTER GAMBLE			11/17/03	95.80	95,800	99.88	99,880
1,300		Security Sub-Total					117,824		129,844
2,000	**	RECKSON ASSOCS RLTY CORP REIT	RA	(G)	11/17/03	23.37	46,740	24.30	48,600
200	**	ROYAL DUTCH PETE NY SHS	RD	(J)	07/07/93	23.08	4,616	52.39	10,478
800	**	ROYAL DUTCH PETE NY SHS			10/19/93	26.64	21,316	52.39	41,912
5,000	**	ROYAL DUTCH PETE NY SHS			11/17/03	44.60	223,000	52.39	261,950
6,000		Security Sub-Total					248,932		314,340
2,000	**	SBC COMMUNICTNS INC PV$1	SBC	(H)	11/17/03	23.52	47,040	26.07	52,140
1,000	**	SCHERING PLOUGH CORP	SGP	(A)	04/03/01	36.61	36,613	17.39	17,390
1,000	**	SCANA CORP NEW COM	SCG	(I)	11/17/03	33.65	33,650	34.25	34,250
1,000	**	STANLEY WORKS	SWK	(D)	11/17/03	32.99	32,990	37.87	37,870
4,384	**	TOTAL S.A. SP ADR	TOT	(J)	11/17/03	78.75	345,240	92.51	405,563
800	**	VERIZON COMMUNICATNS COM	VZ	(H)	09/03/92	24.78	19,824	35.08	28,064
2,000	**	VERIZON COMMUNICATNS COM			11/17/03	32.90	65,800	35.08	70,160
2,800		Security Sub-Total					85,624		98,224
1,000	**	WELLS FARGO & CO NEW DEL	WFC	(G)	11/09/98	40.41	40,416	58.89	58,890
2,000	**	WELLS FARGO & CO NEW DEL			11/17/03	56.29	112,580	58.89	117,780
3,000		Security Sub-Total					152,996		176,670
7,150	**	WACHOVIA CORP NEW	WB	(G)	11/17/03	44.50	318,175	46.59	333,118
Total Equities							7,132,931		7,994,901